FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 131 *9 July 1985*

INTER-AMERICAN AFFAIRS

Contadora Group To Hold Consultative Meeting [Panama City Domestic] A 1

ARGENTINA

Nicaragua's Ramirez Arrives, Meets Alfonsin B 1
Willing to Accept Mediation B 1
Government Studying UK Decision on Imports B 1
Position To Be Disclosed B 2
Army To Discharge 25 Percent of Draftees B 2
CNEA Wants Decision on Atucha II Nuclear Plant B 2
Alfonsin on Continuing Project [BUENOS AIRES HERALD 6 Jul] B 3
FRG Firm To Seek Credits B 3
Bank Closed Down, Workers Occupy Offices [BUENOS AIRES HERALD 6 Jul] B 4
CGT Releases Document on Government Economic Plan B 5
UCR Bloc Refuses To Approve Bill Against Layoffs B 6

BOLIVIA

MNRI Says Electoral Process Not Within Law C 1
Requests Postponement C 1
COB Decides To Lead Boycott of Elections C 2
Electoral Board Confirms Elections To Be Held C 2
Board President Comments C 2
Government Asks Congress To Postpone Elections C 3

BRAZIL

President Sarney Holds Press Conference D 1
Nicaragua's Ramirez Wants Dialogue, Not Conflict [O ESTADO DE SAO PAULO 6 Jul] D 9
Government Rejects Cuban Foreign Debt Proposal D 10
British Foreign Secretary Arrives on 3-Day Visit D 10
Meets With Setubal D 10
Comments on Argentina D 10
First Alcohol Distillery To Be Sold to Cuba D 11
Spokesman Announces Position on Annual Growth D 11
Planning Finance Chiefs Discuss Economic Package [O ESTADO DE SAO PAULO 5 Jul] D 12

CHILE

Copper Union Leader Criticizes CNT Actions E 1
Former Legislators Meet, Support Democracy E 1
Briefs: World Bank Loans; FRG Helicopters; New State Council Member E 2

COLOMBIA

M-19 Confirms Links to Area Guerrilla Groups F 1
Army Clashes With M-19 in Ginebra Municipality F 1

PARAGUAY

Colorado Party Governing Board Issues Resolution H 1
[ULTIMA HORA 4 Jul]
Church Issues Communique on Recent Developments H 2

PERU

USSR Not Involved in Export Irregularities J 1
Uranium Deposit Discovered in Macusani, Puno J 1
Future Mines Minister on Planned Measures J 2
Briefs: Visas for Andean Countries; Inflation Rate Up J 2

MEXICO

PRI Communique Claims Victory in Elections M 1
PAN Leader Charges Police Attacked Reporters M 1
Government Secretary on Peaceful Election M 2

PANAMA

Conato Communique on Withdrawal From Talks N 1
[LA ESTRELLA DE PANAMA 7 Jul]

CENTRAL AMERICA

COSTA RICA

Foreign Minister on Causes For Invoking TIAR P 1
Deputy Foreign Minister Urbina Resigns P 1
Investigation of Seized Arms Shipment Continues P 1
Briefs: Monetary Council Secretary P 1

EL SALVADOR

FMLN Lifts Ban on Northern Trunk Highway P 2
[Radio Farabundo Marti]
FMLN Decrees Nationwide Traffic Paralyzation P 2
[Radio Venceremos]
Farabundo Marti Reports Clashes in Chalatenango P 2

GUATEMALA

Revolutionary Group Murders Military Commissioner P 3
Guerrillas, Army Clash in El Peten 3 July P 3
[PRENSA LIBRE 4 Jul]
Briefs: Ambassador, Attache Returning P 3

HONDURAS

Freed FRG Biologist Turned Over to Embassy P 3
U.S. Weapons Arrive for Use in Maneuvers P 4
Briefs: Ambassador Resigns P 4

NICARAGUA

President Ortega Comments on D'Escoto Fast P 5
D'Escoto Discusses Struggle for Peace With Press P 6
Foreign Minister D'Escoto Says Reagan 'Cynic' P 7
Ramirez Discusses Contadora Group Role P 8
[Caracas EL NACIONAL 28 Jun]
Ramirez Seeks Support for Country in Brazil P 10
U.S. Vice President's European Tour Criticized P 11
MIAMI HERALD Report on Attack Plan Cited P 11
Ministries Issue Reports on Guerrilla Attacks P 12
Defense Ministry Bulletin P 12
Ambush on Ferry Boat P 13
Raid on San Gregorio Cooperative P 13
Nunez on Opposition Parties, Draft Constitution P 14
Upanic Concerned Over Safety of COSEP President P 14
[AFP]
Bolanos Terms Land Expropriation 'Unfair' P 15
Aeronica Begins Flights to Merida, Tijuana P 15
PPSC Proposes Government-Domestic Sector Talks P 16
Briefs: Ambassador to France; Mexican Envoy Leaves; P 16
New PSD Publication

CUBA

Eighth ANPP Meeting Opens in Havana 8 July Q 1
Castro Presides Over Meeting Q 1
Responds to Reagan's Charges Q 1
Comments on Admission Into Parliament Q 2
Lezcano Relieved as Vice President Q 2
Attorney General's Office Report Q 2
Havana TV Comments on Reagan's Terrorism Speech Q 2
Havana City Province Begins Water Rationing Q 3
AFP Report Q 3
Vice Foreign Minister Arrives in Argentina Q 3
Nicaraguan President on Importance of Dialogue Q 3
Commentary Questions Reagan's Stand on Terrorism Q 4
U.S. Anti-Hijacking Campaign 'Repentance' Q 5
Regional Information Center Opens in Agramonte Q 6
[GRANMA 25 Jun]
Roca, Rodriguez Greet Youth Symposium Q 6
Correction to Diplomats Predict Changes Q 6

CARIBBEAN

DOMINICA

Charles Attacks Political Opponents, Calls for Unity S 1

GRENADA

CDB, U.S. AID Grants To Refurbish Hospital S 1

JAMAICA

Seaga To Meet With Puerto Rican Governor S 2
Significant Drug Traffic Cutback Reported S 2

TRINIDAD AND TOBAGO

Chambers, Delegation Depart for Britain S 2
Report Says Oil Reserves To Run Out in 10 Years S 3
NAC, ONR Join Forces To Challenge PNM S 4
Police Arrest Four in $1-Million Cocaine Haul S 4

OTHER COUNTRIES

SURINAME

Constitution Draft To Be Completed by 1987 V 1
Landing Rights To Be Discussed With Belgium, UK V 1

URUGUAY

Broad Front Seeks To Abolish Institutional Act V 1
Transportation Workers Agree To 25-Percent Hike V 1

CONTADORA GROUP TO HOLD CONSULTATIVE MEETING

PA081527 Panama City Domestic Service in Spanish 1227 GMT 8 Jul 85

[Text] Foreign Minister Jorge Abadia Arias has announced that the Contadora Group foreign ministers will hold a consultative meeting in Panama during the second week of July. He said that the meeting, which will take place on Contadora Island, will be held to determine the date for the next summit of the peace-seeking group.

Regarding the latest meeting of the Contadora Group's plenipotentiaries in Panama City, Abadia Arias said:

[Begin recording] We are now consulting the other Contadora foreign ministers, specifically the Colombian foreign minister, in order to arrange for a meeting of the four Contadora foreign ministers on Contadora Island, which is where the group first met. Our future steps will be decided at that meeting. We continue to have the support of all the countries in the world, and the Contadora Group's prestige is still high. The setbacks we have had do not discourage us, but rather encourage us to continue struggling for peace in Central America. The date for the next Contadora meeting will be decided at the consultative meeting of the Group's foreign ministers, which will possibly take place during the second week of July. A definite date will be set at this meeting. [end recording]

Foreign Minister Abadia Arias said that Panama does not agree that other countries should join the Group, as this is not necessary at this time. Here is his statement on this.

[Begin recording] Yes, the incorporation of other countries into the Contadora Group with full rights has been proposed. However, Panama does not agree with this. For now, I can say that Panama is not in favor of this proposal. Other countries have also disagreed, and will say so in due time. Panama does not favor this proposal because it feels that it is not necessary and would not revitalize the Contadora Group, which has the support of the rest of the world, including those countries that have been mentioned as possible new members. So, definitely, Panama does not agree with the incorporation of new members into the Contadora Group at this phase, as we consider it absolutely unnecessary. [end recording]

NICARAGUA'S RAMIREZ ARRIVES, MEETS ALFONSIN

PY090142 Buenos Aires TELAM in Spanish 0124 GMT 9 Jul 85

[Text] Buenos Aires, 8 Jul (TELAM) -- Argentine President Raul Alfonsin this afternoon met at the Olivos residence with Nicaraguan Vice President Sergio Ramirez Mercado who is currently visiting Argentina. During the meetings Alfonsin and Ramirez discussed matters of bilateral interest. Argentine Foreign Minister Dante Caputo, Under Secretary for Latin American Affairs Raul Alconada Sempe, and Nicaraguan Ambassador to Argentina Ernesto Mejia Sanchez also attended the 1-hour meeting.

Sergio Ramirez Mercado arrived in Argentina from Brazil last night. In Brazil he held talks with President Jose Sarney and Foreign Minister Olavo Setubal. The Nicaraguan vice president will leave Argentina for Uruguay tomorrow and will then go to Peru.

Willing to Accept Mediation

PY081812 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1700 GMT 8 Jul 85

[Text] Buenos Aires, 8 Jul (NA) -- The Nicaraguan Government today expressed its willingness to accept Argentine "mediation or any other type of good offices" aimed at renewing the Manzanillo talks with the United States on the Central American conflict. Nicaraguan Vice President Sergio Ramirez made this statement today during a press conference in which he also lauded President Raul Alfonsin's "firm decision" to withdraw the Argentine military advisers who are helping the counterrevolutionaries.

GOVERNMENT STUDYING UK DECISION ON IMPORTS

PY082321 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2210 GMT 8 Jul 85

[Text] Buenos Aires, 8 Jul (NA) -- President Raul Alfonsin today evaluated, together with Foreign Minister Dante Caputo and Defense Minister Roque Carranza, the attitude that the government should adopt toward Great Britain's decision to lift the ban on Argentine imports which has been in effect since April 1982, when the two countries engaged in a brief war over the Malvinas Islands.

Great Britain today announced its decision as "a first step toward breaking the deadlock" in negotiations between the two countries which broke off last year in Bern, Switzerland when Great Britain refused to include the sovereignty issue in the first round of talks held after the war. Geoffrey Howe, secretary of state for foreign and Commonwealth affairs, who traveled to Brazil today, commented on the measure which his government had taken, saying that this year Great Britain had sent "new proposals" to the Argentine Government with a view to resuming negotiations over the Malvinas Islands.

In their official declaration the British indicated that "any discussion of the sovereignty of the Malvinas Islands is out of the question," and the Foreign Office spokesman indicated, after reading the text of the statement, that the British Government hopes that Argentina will reciprocate by lifting the ban on imports from the United Kingdom.

High-level Argentine Government sources have confirmed that the Malvinas issue was recently discussed in Madrid by Caputo and the then Spanish Foreign Minister Fernando Moran, and that whenever contacts at this level take place with Spain, the issue is broached because of that government's experience with the Gibraltar issue.

The sources added that the conclusion reached as a result of these talks was that "there are certain prospects of progress" with regard to the Malvinas issue. Alfonsin and the Ministers of Foreign Affairs and Defense Dante Caputo and Roque Carranza, respectively, discussed the subject during a meeting they held at the Olivos residence.

Meanwhile, Swiss Ambassador Jean Pierre Keush this afternoon visited the Argentine Foreign Ministry probably to deliver a copy of the official British communique which was released in London this afternoon. The Swiss Embassy is representing British interests in Argentina while Brazil is representing Argentine interests in the United Kingdom.

Argentine Foreign Ministry spokesmen, when asked about the matter, declined to make any comments on the British decision to allow imports from Argentina.

The British announcement coincided with the arrival of Geoffrey Howe, British secretary of state for foreign and Commonwealth affairs, in Brazil for a 1-week official visit. In a statement made in London before departing, Howe said that he would not ask Brazil to mediate in the conflict and revealed that so far this year his government has sent "new proposals" to the Argentine Government with a view to resuming talks concerning the Malvinas.

Since the South Atlantic conflict, Argentina has maintained a ban on British imports and has kept overseers in British companies operating in Argentina, in addition to sundry financial restrictions to which these companies are subject.

Position To Be Disclosed

PY090054 Buenos Aires TELAM in Spanish 0039 GMT 9 Jul 85

[Excerpt] Buenos Aires, 8 Jul (TELAM) -- The Argentine Foreign Ministry tonight announced that on 10 July it will disclose the official position of the Argentine Government on the decision of the United Kingdom to lift the ban on imports from Argentina.

ARMY TO DISCHARGE 25 PERCENT OF DRAFTEES

PY080356 Buenos Aires TELAM in Spanish 1551 GMT 6 Jul 85

[Text] Buenos Aires, 6 Jul (TELAM) -- The national executive branch has empowered Army chief of staff, General Hector Rios Erenu, to discharge 25 percent of the draftee class [those born in 1966] and others currently serving in this branch. This decision, enacted through Decree No 1237, provides that personnel sentenced to prison terms or on an extension of military service will not be discharged.

CNEA WANTS DECISION ON ATUCHA II NUCLEAR PLANT

PY060521 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1425 GMT 4 Jul 85

[Text] Buenos Aires, 4 Jul (NA) -- Government sources have reported that the National Atomic Energy Commission [CNEA] has submitted to Finance Secretary Mario Brodersohn a number of financial studies which essentially propose to "justify the works of the Atucha II nuclear plant, that is, to supply the necessary funds to finish it, or to stop it by abrogating the contracts." The CNEA has based its demand on the fact that with the current pace of construction -- the project is already 3 years behind schedule -- the resources "vanish into unproductive expenditures because from every 100 pesos invested, only 15 are spent on the physical construction of the project."

The pace of the construction of the third Argentine nuclear plant will be discussed tomorrow at 1100 by President Raul Alfonsin, CNEA Chairman Alberto Costantini, and the executive vice president of the Kraft Werk Union [KWU], the company building Atucha II, at a meeting to be held at Government Palace. The KWU, subsidiary of the German firm Siemens, is reportedly willing to expand to $300 million a line of credit for the components of Atucha II, that is, for generators, compressors, pumps, and other equipment, some of which is imported from the FRG.

Government sources consulted by NOTICIAS ARGENTINAS have stated that Argentina "will possibly" accept a proposal in this regard, but rejected the possibility that the KWU could be entrusted with the construction and later exploitation of Atucha II. The KWU credit to finance the components of the nuclear plant will reportedly be repaid in a maximum period of 15 years. The government sources have explained that so far the German proposal has not been offocially presented to the CNEA. The construction of this type of plant requires several types of engineering expertise.

Regarding the budget problem, the sources stated that "the final decision will be made by Brodersohn during the next few days," when he finishes studying the technical financial studies submitted by CNEA. The CNEA authorities "are ready to put an end to the agony of the current construction pace, which turns everything into useless expenditures."

The CNEA proposal suggests two essential alternatives: Provide the necessary funds to finish the project "with no useless expenditures" or "stop it by canceling the contracts."

The CNEA original budget for 1985 was $420 million. The Atucha II project and the Arroyito heavy water plant in Neuquen will reportedly need $360 million. The remainder will be invested in research and development activities of the CNEA. In this regard, Costantini has stated on several occasions that the human resources and the research activities of the CNEA will be preserved.

Alfonsin on Continuing Project

PY062019 Buenos Aires BUENOS AIRES HERALD in English 6 Jul 85 p 9

[Text] NA -- President Raul Alfonsin yesterday ratified the government's intention of continuing with the Argentine nuclear plan and said he would find means to finance the construction of the Atucha II thermo-electric project. This news was given to the press by Alberto Costantini, president of the National Atomic Energy Commission (CNEA) following a meeting with Hans Frewer, vice-president of the West German company Kraft Werk Union, West German ambassador Count Hans Werner Finck von Finckenstein, Siemens Vice-President Herbert Steffen, and other German businessmen. This company has been supplying advanced technology for building Atucha II, a project apparently three years behind schedule.

FRG Firm To Seek Credits

PY082023 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2042 GMT 6 Jul 85

[Text] Buenos Aires, 6 Jul (NA) -- Official sources today announced that the FRG company Kraft Werk Union [KWU] has given its commitment to President Raul Alfonsin that it will negotiate credits with the FRG banking sector to finance the conclusion of the construction of and the purchase of components for the Atucha II nuclear plant, once Argentina is able to renegotiate its foreign debt with the IMF, the international banking sector, and the Paris Club.

The sources consulted by NOTICIAS ARGENTINAS stated that the FRG delegation headed by Herbert Steffen, vice president of Siemens International, which owns the KWU company, was "satisfied" with the guarantees Alfonsin gave them during a meeting on 5 July to discuss the completion of the Atucha II plant and the continuity of the Argentine nuclear plan. They added that Alberto Costantini, chairman of the National Atomic Energy Commission (CNEA), will negotiate on credits in September in Bonn, after attending the annual meeting of the International Atomic Energy Agency governors. The sources noted that the businessmen will negotiate credits for the completion of the civil projects and the purchase of nuclear plant components -- compressors and generators -- and for the renegotiation of debts for the Atucha I and Atucha II plants, which total $1.8 billion.

The sources added that it is still a CNEA priority that part of the components be manufactured in Argentina to allow "participation by Argentine industry."

They noted that in view of this offer, the CNEA will conduct "a study on the requirements that we may eventually request from the FRG banking sector."

The sources categorically denied that during the meeting with Alfonsin, "there was discussion of the possibility that Atucha II might be exploited by the KWU company, which is in charge of building the nuclear plant." The sources also reported that Costantini and Finance Secretary Mario Brodersohn did not meet as was planned to discuss the CNEA's budget within the context of the new anti-inflation plan. But there were meetings at the technical level attended by members of the two organizations, during which Finance Secretariat officials expressed support "for completion of the construction with no further unproductive expenses." However, the Finance Secretariat requested that the CNEA "submit a timetable on the progress of the projects and offer guarantees that they will be concluded within this period."

Official sources have noted that "there are many problems with the contracts of private companies working on the Atucha II plant because of delays in payments." They added that both CNEA and Finance Secretariat officials agreed on the need "to evaluate objectively" the situation of the Atucha II plant, which is already experiencing a 3-year delay in its construction program.

BANK CLOSED DOWN, WORKERS OCCUPY OFFICES

PY062025 Buenos Aires BUENOS AIRES HERALD in English 6 Jul 85 p 1

[Text] NA -- The Central Bank (BCRA) yesterday closed down the Banco Juncal in the first major bank closure since the Banco de Italia y Rio de La Plata was liquidated last May. But the closure was immediately countered with worker occupations of key offices of the Banco Juncal.

Bank savers crowded in front of the main office on Florida 253 but were met with closed doors. Workers inside the office occupied the building peacefully but pledged to keep BCRA officials out to defend their jobs. The bank employed 300 workers in its four Federal Capital offices and 13 branches in the interior.

The Banco Juncal was the largest of the four banks shut down in the last two weeks by the BCRA. The Banco Unicor, Caja de Creditos San Fernando and Banco Regional de Cordoba were all liquidated recently.

Bank Clerks' Association (AB) Secretary-General Juan Jose Zanola meanwhile said the closure was "hardly opportune" given the "critical economic times where unemployment has become a plague." The Central Bank in a statement said it had liquidated the bank because of its "serious liquidity problem."

CGT RELEASES DOCUMENT ON GOVERNMENT ECONOMIC PLAN

PY050338 Buenos Aires DYN in Spanish 0103 GMT 3 Jul 85

[Text] Buenos Aires, 2 Jul (DYN) -- Today, the General Labor Confederation [CGT] ordered measures for "very rigorous" action and for "resistance against any attempt" to undermine the employment opportunities of the workers. In order to implement these actions, it has declared its various organizations in a state of "mobilization." This is a notorious hardening of its position in view of the firings and suspensions that have been ordered by several enterprises.

The CGT has also rejected "the Labor Ministry's threat to cancel the legal status of the unions that are in conflict through the use of the repressive instruments of the miliarty dictatorship." This is a rapid act of solidarity with the Trade Union of Mechanics and Related Automotive Transporation Workers, which today was threatened with the cancellation of its legal status by the Labor Ministry, due to the conflict it has with Ford Motor Company of Argentina.

After a 5-hour meeting, the CGT decided to demand that all blocs in Congress hold a floor debate on a law that "bans, for as long as the official measures last, the closing of firms, management lockouts [preceding word in English], the suspensions [words indistinct] with the overall union complaints about firings and suspensions, which in turn have led to the conflicts that include the taking over of two important factories (Ford and Volcan SA), the CGT reiterates its warning about the prospect of a "social backlash."

The CGT also seriously criticizes the Radical government. In addition to recalling that "under this government, inflation has increased from 400 percent to more than 1,000 percent per year," it also maintains that the anti-inflationary measures are "unjust, irrelevant and unnecessary." Here are the measures that were adopted tonight by the CGT:

"A. It will call on all the blocs in Congress to request a floor debate on a law that bans, for as long as the official recessive measures last, the closing of enterprises, management lockouts [preceding word in English], and suspensions and firings.

"B. It supports all unions, through their appropriate organizations, that have conflicts. It will resist any attempt to close down firms, to implement suspensions, to reduce work schedules and to fire personnel. It will also resist any attempt to pay illegal salaries. It fully approves of and supports the appropriate measures that have been adopted by the various levels of the organization. In this respect they must consider themselves to be mobilized.

"C. The workers must participate in the policies that are to be implemented in the state sector and public enterprises in order to safeguard our rights and the national patrimony.

"D. The CGT will remain in a state of alert and in permanent session in order to receive from the unions and from the entire country the information on the social effects that could be caused by the measures that the government is currently implementing.

"E. It rejects the Labor Ministry's threat to cancel the legal status of the unions that are in conflict through the use of the repressive instruments of the military dictatorship.

"F. It will request that the government implement corrective measures regarding the freeze on workers' salaries and pensions; and it will demand, without any type of political terms, union participation in all matters pertaining to the living conditions of Argentine workers.

"G. It denounces the uncontrolled increase in rents and requests an immediate freeze on them.

"H. It reiterates its invitation to all productive, political, social, and spiritual forces in the country to jointly study the evolution of the national socioeconomic situation and propose that more appropriate measures be adopted so that the fight against inflation does not mean a great sacrifice for the worker and cause the elimination of more work sources."

On criticizing the anti-inflation plan, the CGT believes that it consists of "applying high human cost measures such as the salary freeze, which unjustly cause the readjustment to fall on the shoulders of the least protected sector of the people. "These measures," the CGT document states, "in addition to being unjust, are also irrelevant and, therefore, absolutely unnecessary for the fight against inflation, taking into account the way the current economic structure operates. Salaries are not the cause of the inflationary process."

Further on, the CGT states that the government "did not interpret our position correctly when we warned that the greater the human deterioration, the greater the risk of a social explosion."

The document also warns about "the harm that can evolve from very poor salaries and the lack of jobs, which lead to a progressive state of deprivation of an ever growing sector of the population and this provokes the social explosion, which is not violent in itself, but which consists of a series of actions that are out of control, but that the needy feel compelled to carry out." The CGT states "that strikes are not a social explosion; they are the legal outlet for the pressure that has accumulated against the elemental rights of man and his family," and that "a social explosion is something much deeper, involving much more anguish, and which can never be resolved by a strike."

The document maintains that "it is not only the workers who are organized within the CGT but also the small and medium-sized national businessmen who have indicated that a victory over inflation will not help the country very much if it is at the cost of the disappearance of work sources." The CGT believes that "this foreseeable effect of the plan has already made itself felt through a wave of suspensions, a shortening of the work day, and firings that are affecting thousands of workers' families." The document dramatically asserts that "unemployment is rapidly increasing" and that "the closing down of firms is threatening production, commerce, and services." It concludes that "the overenthusiastic consensus can lead to a covering up of a reality that will not benefit anyone."

UCR BLOC REFUSES TO APPROVE BILL AGAINST LAYOFFS

PY032120 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1902 GMT 3 Jul 85

[Text] Buenos Aires, 3 Jul (NA) -- The Radical Civic Union [UCR] will not allow the approval today in the Chamber of Deputies of a bill submitted by the Peronist party and supported by the General Confederation of Labor proposing the prohibition of layoffs and suspensions during the period of the salary, tariff, and price freezes. A high-ranking source in the UCR deputies bloc has stated that "the most we can do is approve a motion to the executive branch to consider the measure, but we are not going to vote for the bill."

MNRI SAYS ELECTORAL PROCESS NOT WITHIN LAW

PY082154 La Paz Cadena Panamericana in Spanish 1700 GMT 8 Jul 85

[Excerpts] The ruling party is greatly concerned about the upcoming elections. It fears that its followers will not vote for it because of the government's poor performance.

Last week, the Nationalist Revolutionary Movement of the Left [MNRI] starting charging that the electoral process was not being implemented according to the law.

The most representative members of the Electoral Board have replied by asking that the MNRI produce evidence to support its charges, because even though such charges were leveled during a press conference, they must be supported by tangible evidence submitted in writing. The board has thus far received no such evidence. Instead it has received a document in which the ruling party issues its warning to the people. The MNRI document has only served to reveal the government's intentions.

A statement signed by Hernando Poppe Martinez and Mario Rueda Pena, the secretary general and the political secretary of the MNRI's National Executive Committee, respectively, reveals that the ruling party wants to obstruct the electoral process in view of the MNRI electoral campaign failure.

[Begin unidentified speaker recording] The following information proves the seriousness of the situation. Considering all this, and in the face of the seriousness of the situation -- which has been marked by the reiteration of practices that tend to distort the concept of nationalism by neglecting the people's rights, and by reviving a category of second class citizens who are only entitled to serve and die but not to choose their leaders -- the MNRI hereby states that only the full exercise of universal suffrage will lend legitimacy to the elections.

The MNRI also challenges the board to clarify the charges and to prove that the electoral process is being implemented within the law.

The MNRI calls upon the political parties and the sectors having decisionmaking powers to state their opinion on the issue, as they have done on other matters. [end recording]

Requests Postponement

PY081610 Paris AFP in Spanish 1542 GMT 8 Jul 85

[Text] La Paz, 8 Jul (AFP) -- The Nationalist Revolutionary Movement of the Left (MNRI), the party of constitutional President Hernan Siles Zuazo, has requested that the general and municipal elections scheduled for 14 July be postponed to provide more time to correct errors.

This announcement was today made by Hernando Poppe Martinez, MNRI secretary general and transportation minister, who said that the government candidate, Roberto Jordan Pando, has noticed irregularities in the preelectoral procedures and in the activities of the departmental electoral courts.

Poppe Martinez also said that the request will be submitted to the appropriate legal organization, in this case the honorable National Congress, which is the only government branch with the authority to temporarily postpone the elections.

He said that his party has never been against the elections and that the request is by no means aimed at obstructing the democratic process that began in October 1982.

COB DECIDES TO LEAD BOYCOTT OF ELECTIONS

PY090325 Madrid EFE in Spanish 0007 GMT 9 Jul 85

[Excerpt] La Paz, 8 Jul (EFE) -- The Bolivian Labor Federation (COB) today decided to lead the boycott against the elections slated for 14 July. The COB issued a communique calling all left-wing political parties to a meeting aimed at persuading them to withdraw from the elections.

Meanwhile, the Bolivian Federation of Mineworkers also asked left-wing parties to withdraw from the elections on the grounds that they are fraudulent and null and void.

ELECTORAL BOARD CONFIRMS ELECTIONS TO BE HELD

PY081601 La Paz Cadena Panamericana in Spanish 1130 GMT 8 Jul 85

[Excerpt] Walter Rios Gamboa, a member of the Electoral Board, has said everything is ready for the general elections scheduled for 14 July and there is no possibility that they will be postponed.

He pointed out that the financial problems have been overcome because the government has given the board 70 billion Bolivian pesos for the elections. He added that all the political parties are intensifying their campaigns for the 14 July elections.

[Begin Rios recording] Unfortunately, the Electoral Board, which is the organization in charge of the electoral process, does not have the authority or the capacity to control social problems. We have been informed that there have been some obstructions to the normal vehicle traffic in Potosi and other regions, which has delayed the delivery of election materials. However, despite this we are not too concerned because there is still time to fulfill our duty to hold the general and municipal elections on 14 July. The president of the board has pointed out that there is no justifiable reason why the general and municipal elections should not be held on 14 July. [end recording]

Board President Comments

PY081838 La Paz Cadena Panamericana in Spanish 1700 GMT 8 Jul 85

[Text] Edgar Oblitas, president of the Electoral Board, has said that a number of problems are being overcome and that the general elections scheduled for 14 July will definitely be held. He stated that all the problems are being overcome to satisfy the people's wish. Oblitas added that some political sectors who do not want general elections are creating problems, but that these problems are being overcome for the benefit of the Bolivian people.

The National Electoral Board is carrying out the final preparations to hold the general elections on schedule.

[Begin Oblitas recording] Obviously, everyone knows that these will be the most difficult elections in the country's history. The 14 July elections are really going to be a miracle, because there are so many obstacles that clearly show the obstructions being placed before the electoral process. The way this process is being carried out can only be considered miraculous, but I can assure you that this miracle will take place on 14 July because the board has decided to hold the general elections. [end recording]

GOVERNMENT ASKS CONGRESS TO POSTPONE ELECTIONS

PY090345 La Paz Cadena Panamericana in Spanish 0000 GMT 9 Jul 85

[Report by Cristina Corrales from Government House]

[Excerpt] The national government has called for a special congressional session on 11 July at 1500. The honorable Congress was summoned to a special session [words indistinct]. President Hernan Siles Zuazo has proposed the following agenda:

Change of the election date with the objective of preserving the principle of universal suffrage set forth in the Constitution. In this regard: Decree No 20,908 states: Whereas:

Article 29 of the Constitution states that suffrage [words indistinct] universal suffrage is a major foundation of the national sociopolitical order and of political and institutional power. Charges have been leveled about alleged differences between voters in the province and in the rural areas, which hamper the principle of universal suffrage;

Major congressional sectors and majority labor and political organizations have reported serious irregularities;

It is the government's duty to ensure compliance with the law and to make sure that elections are held within the law; Articles 47 and 96 of the Constitution empower the executive branch to call for special congressional sessions,

The council of ministers hereby decrees:

The honorable Congress is hereby called for special sessions to be held in the city of La Paz beginning on Thursday, 11 July 1985 at 1500 to discuss the following matter: Modification of the date of the elections in order to defend the universal suffrage principle set forth by the Constitution.

The interior minister shall be in charge of ensuring compliance with this decree.

PRESIDENT SARNEY HOLDS PRESS CONFERENCE

PY022156 Brasilia Domestic Service in Portuguese 1840 GMT 2 Jul 85

[Press conference by President Jose Sarney with foreign reporters at the Gloria Hotel in Rio de Janerio -- live]

[Text] [Reporter] Is Brazil going to resume relations with Cuba, and when? I would also like to know whether the subject of Cuba is a matter of national security, as President Tancredo Neves stated?

[Sarney] The normal thing in international relations is to have diplomatic relations; not to have them is abnormal. We must admit that the situation in Central America was quite different when Brazil broke relations with Cuba. Nowadays, most Latin American countries maintain diplomatic relations with Cuba. As soon as I assumed power, I instructed the Foreign Ministry to analyze the possibility of resuming diplomatic relations with Cuba. That study is now under way, and I believe that it will be ready soon. When President Tancredo Neves said that it was a matter of national security, what he meant was that, according to our laws and the practice always followed by our country, we have to listen to the National Security Council's opinion on such a matter.

Currently, we are maintaining contacts with Cuba in the cultural field, in exchanging information within the various international organizations to which our two countries belong, as well as sharing interests in commercial relations. The Cuban market has shown quite a lot of interest in purchasing equipment for hydroelectric plants, sugar mills, and distilleries for the production of alcohol. We believe that studies in this regard will be concluded shortly and that we will be able to make a decision. Moreover, we have also received several Cuban delegations. Right now we are receiving delegations of Cuban congressmen who have made contact with Brazil without pursuing any particular objective. This is the way in which a mature country, conscious of its interests, is approaching this matter.

[Reporter] Your Excellency, on several occasions you have said that you would not tolerate any acts of revanchism. Don't you think that in order to prevent such acts of revanchism so many political crimes were perpetrated here in Brazil -- murders, bomb attacks, torture, death squads, and what was worse still, the Baumgarten case? For 7 weeks no positive result was reached in this case. No one seemed to be able to find the address of the two colonels who work or used to work in the Brazilian embassies in Buenos Aires and Geneva and are involved in the case. Police officer Vasques did not deliver the Rio de Janeiro judge's letter requesting the Mansu local judge to interrogate General Medeiros because, as he said, he did not have the money to pay his fare to Mansu. Once he had the money and had bought his fare to Mansu, Vasques learned with surprise that General Medeiros had not waited for the letter to arrive and had testified before the local police authorities. General Cruz continues to swear that he has never heard talk about Baumgarten. So far the only persons arrested are some of journalist Mario Eugenio's murderers, probably because the people involved are very humble persons, with the rank of sergeant and corporal. It is only now known that not only humble people were involved. A lieutenant, who is the son of a general, and a colonel, who was security secretary of the Federal District, are also involved. Do you think that all this delay and confusion may be caused by the new Republic's fear of being accused of taking alleged retaliatory measures?

[Sarney] The government has clearly defined the situation with regard to retaliatory attitudes. This definition goes back to the political campaign of the Domestic Alliance, when President Tancredo Neves repeatedly stated that the amnesty law benefited the two parties. Since the amnesty law has been implemented, the government has sought to solve all crimes.

I want to point out that, regarding the case you have mentioned, for a few months the government also thought that the murder of journalist Mario Eugenio would never be solved. However, we have managed to find the guilty persons and turn them over to the court so that they may be duly punished.

I do not believe that the difficulties and delays in solving crimes is an exclusive problems of the Rio de Janerio police force. I hope and believe that the Baumgarten case [case involving the mysterious disappearance of a Brazilian journalist] will also be solved, because this is the desire of the entire nation and the government.

[Reporter] Mr President, this year Brazil has to pay about $11 billion in interest on its foreign debt. Recalling your promise that you would reject commitments that would increase the unemployment rate and the misery of the Brazilian people, I would like to know whether you intend to pay the $11 billion or whether you are going to ask the private banking sector to provide a portion of the interest rates, and whether you really intend to pay all the interest rates owed to the banks. I would also like to know what is the basic difference between your government and that of the previous administration on the foreign debt?

[Sarney] Your question really involves several issues, but on the whole it refers to one problem -- the foreign debt problem. When I asserted that we would not accept any solution to the foreign debt problem that would entail recession, I was fully defending the country's interests. Recession entails unemployment which, in turn, represents hunger and social problems. Therefore, in the renegotiation of the foreign debt we will have to establish some parameters. First, we cannot make commitments that the country cannot fulfill. In this regard we have been very careful in our negotiations with the international organizations. Second, we are not going to accept any clause that may entail relinquishing or restricting our national sovereignty. Third, negotiation cannot be used as a substitute for government acts or decisions. We have tackled the foreign debt problem under these parameters.

Regarding the IMF, we are a founding member of this organization, which was created for the purpose of solving temporary foreign exchange problems. Since every negotiation is a difficult task, we hope to conclude this negotiation that we have inherited, but within the parameters that we, the Government of Brazil, has established. Our intention is never to allow Brazil to lapse into recession. We believe that, without economic growth, the Latin American institutions are permanently at risk. These are the general guidelines the Brazilian foreign debt negotiations will follow.

[Reporter] Mr President, excuse me, I would like to repeat my question. Where is the basic difference between the current government and the previous administration on the foreign debt?

[Sarney] The basic difference is that the foreign debt policy of the current government is aimed at not acceding to the impositions of any international organization, which may represent an intervention in the policy that the government desires to implement with the purpose of resuming the country's economic growth.

[Reporter] Mr President, will the economic package that is to come out this week, which includes cuts in public expenditures and an income tax increase, bring Brazil and the IMF closer together?

And should this not be sufficient, will Brazil try to convince the commercial banks to reschedule the payment of its debt, without depending on an agreement with the IMF?

[Sarney] Would you please repeat the first part of your question?

[Reporter] I am asking whether the economic package will bring Brazil and the IMF closer together?

[Sarney] No, there is no economic package. What we have is a need to organize the country's internal account. The whole country knows that we have a deficit of 105 trillion cruzeiros. Should we not have the resources to face this deficit, we will be forced to print more money, and this means condemning the country to runaway inflation. Therefore, we must adopt some measures, including drastic budget cuts and tax increases, in order to decrease the deficit and bring inflation under control.

I think one of the government priorities is to curb inflation first of all, and then to keep it at tolerable levels without damaging our economic growth. When inflation exists anywhere, no escalation of prices or salaries can lead to a successful solution. Obviously it is not possible to equalize salaries and prices without inflation. So, the government has decided to keep inflation under its absolute control, regardless of the measures that ought to be adopted. These measures have been adopted in the interest of the nation, which is to control inflation, in order to protect our economy.

Some of these measures have been severely criticized. Therefore, they have not yet been adopted. I think some of the criticism is premature. What the government is trying to do is to evaluate the consequences of each one of them, to avoid straying from the established fundamental policy, which states that all efforts must take into account the social aspect, so that the interests of the wage earners are protected.

[Reporter] Are you prepared, Mr President, for an eventual use of force to implement fully the agrarian reform?

[Sarney] Basically, I think agrarian reform seeks to prevent violence and not to encourage it through the use of force by the government or by affected parties. In addition to the essential justice that agrarian reform will bring to the fields, agrarian reform surely seeks to prevent violence in the fields.

We know that agrarian conflicts have always taken place throughout the years in various areas of Brazil, and these conflicts have been violent. We hope that we do not have to use force to implement the agrarian reform, and that the momentum of the agrarian reform will end violence in the field. At the Congress of Agricultural Workers, we launched the slogan that the agrarian reform will mean peace on earth, peace in the sense of a democratic and peaceful agrarian reform.

[Reporter] Mr President, the nuclear agreement between Brazil and the FRG was signed 10 years ago. The initial project foresaw the construction of eight nuclear plants by 1990. It now seems that none of those plants will be completed by that date. I would like to know the priority you will attach to that contract, specifically if your government will proceed with the construction of the second plant that is part of the contract with the FRG.

[Sarney] The Brazilian nuclear program and, within it, the part related to the contract with the FRG, is caught up in the difficulties that the country faces. Therefore, it will be subject to some strategy modifications.

At the same time, we are not in a position at this time to implement it. So it is included among those sectors in which we have to make quite substantial cuts.

[Pierre Guitaud, French television] The French Government has invited Brazil to participate in the Eureka project, and the same government praised the new Brazilian policy. At your invitation, President Mitterrand will visit Brazil. How would you like this visit to develop, basically from the political and economic standpoints?

[Sarney] The operation of the Eureka project is still a declaration of intent by some sectors of the French Government. We all know that the Eureka project is a peaceful response to the "star wars" initiative. We expect that the visit of President Mitterrand to Brazil will serve to bring our peoples closer together and, at the same time, will serve as an opportunity to discuss some problems of common interest between France and Brazil. One such area is the foreign debt problem, which we hope to clarify from the point of view of the European creditors, the Paris Club. It should also be an occasion to think over the problems of the world, Central America, world peace, and disarmament. Summing up, it should be an occasion to exchange opinions between two countries that want to state their mature position on international issues.

[Magato Shihara, NHK Japan Broadcasting Corporation] My question will follow up previous questions regarding the agrarian reform. Tensions in rural areas are worsening causing many deaths, and even Minister Nelson Ribeiro received threats. Will any of these problems affect your determination to carry out the promised reform, and are you thinking of any specific measures to curb violence?

[Sarney] Agrarian reform is irreversible. It is not a personal decision any more, it is a question of my own conscientiousness, because we need to redeem the great debt we have regarding the equilibrium of land tenure in Brazil.

I would like to take this opportunity to reiterate that agrarian reform will help to resolve those conflicts. Some of these conflicts have lasted for a long time, and we expect to resolve them. Of course, the solutions will be sought within the law, the Land Statute, a democratic agrarian reform, and by respecting a fundamental individual right; the right to own land. But at the same time we want to ensure that property, as defined by the Brazilian Constitution, fulfills its social function.

Japan is a good example of what agrarian reform can do for a country. It was implemented during General MacArthur's tenure, yet the Japanese Diet rejected the first agrarian reform proposal. But it was implemented with the second proposal, the second agrarian reform law. Through the years that country has transformed itself into an agricultural power.

[Reporter] Mr President, what concrete measures are to be implemented to contain violence, more violence? What is your opinion?

[Sarney] I believe that at this time the conflicts over land are, shall we say, conflicts that have been going on for a long time, for many years, and are being watched by the government, by the Agrarian Reform and Development Ministry, which is seeking to resolve the existing conflicts through dialogue and peaceful means.

[Jeff Ross, BUSINESSWEEK] What does the president think of a type of Marshall Plan recently proposed by Mr Henry Kissinger for Brazil and Latin America's debt?

[Sarney] I believe that some proposals that have been made in the United States are significant in that the outlook should be more political than commercial when dealing with the problem of the debt. The statements that have been made by Henry Kissinger and by Preston Martin, vice chairman of the Federal Reserve System, appear to indicate that they want to promote a debate on the political aspect of the foreign debt. But we know perfectly well that the foreign debt has two levels. The other is the financial level, which involves negotiations with our creditors, most of them private banks.

But the negotiations cannot be an obstacle in allowing us to analyze the debt from the political viewpoint. The protectionist barriers in international trade are stopping the developing countries from exporting larger quantities to the world's largest markets, which in turn allows us no leeway in paying the foreign debt. Thus, I do believe that the foreign debt does have a political aspect.

On the other level, we have high interest rates to take into account. Therefore, the foreign debt must be paid within the capabilities of each country.

We then have three decisions, which must be made by the government and not by the financial sector. Because they are government decisions, they impose political considerations, which have an influence on the foreign debt.

[(Adalid) Cabrera, EFE] Mr President, the struggle that is being carried out by several Latin American countries and governments to consolidate their democracies has opened up the possibility of organizing a democratic front in the region. What is Brazil's position, and especially that of your government, regarding this proposal that has already been made by some Latin American presidents?

[Sarney] We can contribute by example to a democratic Latin American continent. For example, Brazil is currently demonstrating its determination to follow democracy. I wish to continue to strengthen the links of cooperation and friendship with Latin America. In this respect, I remind you of my upcoming trip to Uruguay in August.

It is my belief that even we Latin Americans are considered to be poor, but we have always stood shoulder to shoulder. I believe that the time has arrived for us to harden our foreign policies. It is more than a question of standing shoulder to shoulder, we must link our arms in order to resolve our problems.

[Andrew Whitney, London FINANCIAL TIMES] Mr President, what attitude will your government adopt regarding the economic scandals if it is proven, or even suspected, that high-ranking officials of previous governments are involved?

[Sarney] This is a matter for the Brazilian judicial branch, which you know is an independent power. As for the government, it will cooperate in every way to ensure that those who are responsible are identified and punished.

We have created a commission charged with the study of all the legislation regarding financial administrators. I and all the team have verified that this legislation in Brazil has many flaws. Those who have committed abuses in the administration of financial institutions will by punished.

[Sergio Pineda, Mexican newspaper EXCELSIOR] Mr President, what is your opinion of the situation in Central America and of the possibility that Brazil may join the Contadora Group?

[Sarney] The problem of Central America is causing concern to all the countries of the Americas. We understand very well that the tensions in that area come from antagonisms over land possession and over the legitimacy of the political entities, including dependency on foreign powers. Brazil has firmly supported the efforts by the Contadora Group to find a peaceful, negotiated solution to the situation in Nicaragua. The Brazilian Government believes that the action of the Contadora Group has developed as the circumstances allow. That group has been operating for a long time, and our participation now will not add anything to the measures it has adopted. We believe that our political support for the concrete proposals for a solution made by the Contadora Group is much more important than our participation in the group. This has been the Brazilian position. Our foreign minister, after contacting the Latin American foreign ministers, has reiterated this position. But we are willing to examine some more concrete, more objective measures it if will help the Contadora Group to fulfill its mission.

[Alan Wright, THE NEW YORK TIMES] With all the signs of a breakup of the Democratic Alliance, or even of its collapse, are you, Mr President, concerned about the loss of political power for your government, and are you firm in your intention to stay in power 4 years?

[Sarney] The Democratic Alliance is not showing any signs of breaking up. I believe that we have to consolidate the Democratic Alliance more each time. It is now in the process of consolidating. In the first months, within the National Congress, we had to make some adjustments in our forces. But if we make a comparison, we will see that the Democratic Alliance, as it completes the first half of this legislative session, is more consolidated than at the beginning. According to a message I have sent to the National Congress, the direct elections were restored and the period of my mandate will be determined by the national Constituent Assembly, which will represent the Brazilian people in adopting such a decision.

[Name indistinct, KYODO News Agency] I would like to ask you a question regarding economic cooperation with certain developed countries and also with Japan. What type of cooperation will there be, especially regarding important projects such as the Carajas and other projects?

[Sarney] I believe that the current relationship with Japan is excellent. Our projects regarding economic cooperation are developing very smoothly. Japan has a great level of participation in the Carajas project, not only in its construction but also in the marketing of the minerals it will produce.

[Lois Steward, AP] What role does the military play in your government, and why does it still have an influence that could be considered excessive within a civilian democratic government?

[Sarney] The role the military plays within my government is that established by the Constitution. Its role is to safeguard order and the institutions.

[Lois Steward] How about the second part of my question?

[Sarney] I believe the military is exercising its constitutional role. It does not have any greater or lesser influence than that established by the Constitution, or than that observed throughout the history of our country, which is governed by a constitution.

[Anibal Joao Mello, ANGOLA PRESS] As you must be aware, the UN Security Council recently -- on 21 June -- approved Resolution 575, urging UN members to adopt voluntary sanctions against South Africa. These voluntary sanctions include the revision of air traffic policies, the suspension of new investments, breaking relations in the sports fields, etc. I would like to know the current Brazilian Government's position regarding the decision recently approved by the UN Security Council. Will Brazil abide by this resolution, which requests that UN member countries voluntarily adopt sanctions against South Africa?

[Sarney] Our position regarding the apartheid problem, which is South Africa's case, is quite clear. Brazil considers the apartheid policy a very inhuman policy that goes against mankind itself. Brazil has been extremely consistent in condemning the apartheid policy. Moreover, we have firmly supported all the African countries in the sense that we have condemned South Africa's apartheid policy. Recently, the Brazilian Government had the opportunity to voice its surprise over the fact that Sao Paulo Archbishop Dom Evaristo Arns' pastoral visit to South Africa was not allowed. On the other hand, we have strongly supported Namibia and condemned the attacks perpetrated against Botswana. Therefore, Brazil does not hesitate in condemning the South African policy of racial discrimination.

[Reporter] In your first press conference, referring to the Brazilian foreign debt, you mentioned the political risk in addition to the economic risk. What is the significance of that political risk in the international context?

[Sarney] That is the most serious aspect of the foreign debt. Regarding Brazil, I will repeat, I believe that the foreign debt is not an economic risk, because the country has great potential and a desire to honor its commitments as a great country. But as soon as the foreign debt becomes an obstacle to economic development, causing unemployment and low salaries, which make the country's exports competitive, Brazil can become a great social risk. Social convulsions can explode and can be uncontrollable, and they can escape our decisions and our hopes for a country with consolidated democratic institutions.

[Reporter] Mr President, if the current Brazilian economic reorganization does not succeed, will the government consider the possibility of an Argentine-style solution, that is, of applying a shock treatment?

[Sarney] Each country has its peculiarities. The situation in Brazil is unique to Brazil. We have trade surpluses, we have quite a dynamic balance of foreign trade, and at the same time our economic indicators show that there is resumption of economic development. Our objective is to grow 6 percent this year, and beginning next year at higher rates, without throwing us into an inflationary spiral. I am optimistic about the success of the economic measures we are adopting. I believe that we will not have to apply a shock treatment. We believe that the gradual treatment is yielding results. When we took office, we all knew that inflation was potentially 400-500 percent in Brazil. Some multinational companies, not to mention the nation companies, were budgeting on the basis of an inflation rate of 500 percent in Brazil.

However, the inflationary prospects have reversed and we will see to it that it continues to fall. We cannot compare Brazil's inflation with that of other countries, some of which have gone to an extreme with an inflation rate of more than 1,000 percent.

[Reporter, from the London DAILY EXPRESS] Mr President, it has been discovered that Nazi criminals such as [name indistinct] Stangl, (Wagda), and now Josef Mengele have lived in Brazil for the past 25 years. Although they have been accused of murdering more than 2 million civilians during World War II, they lived here, according to the Sao Paulo Federal Police, as a Nazi network. A photograph has been published during the past few days depicting what seemed to be Nazi slogans observed in Sao Paulo. What does your government plan to do about these antidemocratic forces?

[Sarney] This is a police case that must be looked after by the respective area in Sao Paulo. It is regrettable that in today's world we have to observe this type of demonstration.

Brazil and I, as the president of Brazil, deeply regret that we had in our country, without anyone knowing about it -- because if it had been know I promise you he would not have resided here -- a man who had harmed so much of humanity. In addition, since we had the bad luck to have him while he was alive, we hope that we do not have to keep his bones.

[Paulo (Argentini), EUROPEO of Milan] Mr President, Brazil is on the path to democracy, but it still has labor legislation that is inspired by Italian fascism. Is this situation going to be changed? Does the president favor free unions or unions linked to the state?

[Sarney] The Democratic Alliance has committed itself, and this is contained in its platform, to union autonomy, union freedom. One of the first measures that the government adopted was precisely that of suspending the legal restrictions on union leaders who have been punished, thus granting them amnesty. Within the next 6 months we plan to send to Congress an amendment to the labor law and some other bills that refer to the liberation of the labor movement.

[Reporter] Are the unions still going to be linked to the Labor Ministry in the future?

[Sarney] That is a decision that will have to be made by the constituent assembly. It will also have to be discussed with the workers themselves.

The last time that we sat down with the presidents of the large confederations of workers we committed ourselves to union autonomy and freedom, but there was certain disagreement over maintaining the union tax that is collected and redistributed by the state. But I believe that the workers must decide to what extent they want to depend on the Labor Ministry. For our part, we have to comply with the commitments to the Democratic Alliance to grant union freedom and autonomy.

[Horacio Jimenez, ANSA] Mr President, through a parallel or secret nuclear program, Brazil could be developing technology to manufacture an atomic bomb, just like Argentina. Would this not be a case calling for serious talks between statesmen of the two countries to return to the peaceful use of nuclear energy, thus preventing enormous unproductive expenditures and new internal or external military adventures?

[Sarney] We do not believe that Argentina wants to manufacture the atomic bomb. We do not have any program to manufacture the atomic bomb either. Our interest in harnessing the technology of the atom is exclusively related to its peaceful uses. As we all know, Brazil is not a country rich in fossil fuels.

We need to have access to the technology of the atom so that we can be in a position to make our most industrialized regions independent of energy shortages in the short term. We are signatories of the Tlatelolco Treaty through which Brazil is committed to a nuclear-free Latin America. We do not want Latin America to be involved in any sort of nuclear weapons deployment. This is our position, and it will be maintained. Latin America has the privilege of being the only part of the planet that is free of nuclear arsenals. We wish it to stay free forever.

[Reporter] Mr President, the peaceful cooperation between Brazil and Israel, which began more than 20 years ago, has certainly benefitted the Brazilian northeast. It ended in 1968. Does not the president believe that this will be an appropriate time to renew the technical cooperation agreement with Israel?

[Sarney] We are open to examine, through the Foreign Ministry, any proposal or interest in technical cooperation regarding the northeast region or any other region of our country.

[Reporter] What is the policy of the new Republic to install alcohol distilleries in the form of cooperatives? How will this policy be accomodated in remote regions with the agrarian reform?

[Sarney] I do not see any great connection between agrarian reform and the installation of alcohol distilleries. How can it conflict with the alcohol program, since the first national agrarian reform plan is precisely intended to ease the areas of conflict, areas where there are open agrarian conflicts. We already had the opportunity to define what we understand by agrarian conflict. It arises where there is doubt about the ownership of the land, where there is no invasion. As I said before, invasion under the civil code is usurpation, and under the penal code it is a crime. On the other had, the agrarian reform will be implemented in areas of unproductive large land holdings. I do not foresee any antagonism between the existence of alcohol distilleries and the agrarian reform program.

NICARAGUA'S RAMIREZ WANTS DIALOGUE, NOT CONFLICT

PY081621 Sao Paulo O ESTADO DE SAO PAULO in Portugese 6 Jul 85

[Excerpt] Nicaraguan Vice President Sergio Ramirez, who is touring South America in search of support for a plan to patrol the border between his country and Costa Rica, yesterday said in Rio de Janeiro that he has not yet presented a proposal to that effect to President Jose Sarney, although they did hold a private meeting on 4 July. Ramirez said, however, that Sarney was very receptive and noted that "after all, the problems of Central America are a threat to all of Latin America."

Sergio Ramirez explained that Nicaragua has decided to seek a dialogue because it is a small country "without sufficient forces to confront the United States directly." He said that "seeking negotiations is not a sign of fear, but of maturity." He added that the threat of a U.S. invasion is well known and that it is even supported by U.S. congressmen. This threat notwithstanding, Ramirez admitted the possibility of signing a peace treaty with the United States through the mediation of the countries of Central America and South America. Since any dialogue requires that the parties compromise on some points, he said that his country has already accepted several restrictions that were announced in the peace document issued by the Contadora Group in September 1984.

According to the Nicaraguan vice president, his country will accept a reduction in the personnel of Central American armies to a number that would be determined by an international supervision and control commission; the withdrawal of all military advisers from Nicaragua and other continental countries; the elimination of all military bases and a ban on the installation of new ones; the suspension of joint maneuvers with non-regional powers; and the supervision of arms traffic and movement of military forces from one Central American country to another. As for the U.S. disposition, Ramirez was not very optimistic: "We froze the import of arms for some time and sent 100 Cuban military advisers home. The U.S. reply was to send 68 military advisers to Costa Rica. Ramirez said that Nicaragua still has 700 Cuban military advisers.

GOVERNMENT REJECTS CUBAN FOREIGN DEBT PROPOSAL

PY090039 Paris AFP in Spanish 0001 GMT 9 Jul 85

[Text] Brasilia, 8 Jul (AFP) -- Brazil has rejected Cuba's invitation to participate in a meeting of Latin American personalities designed to discuss the continent's foreign debt problem. The Brazilian Foreign Ministry today released an official report in Brasilia after a meeting between Paulo Tarso Flecha de Lima, Foreign Ministry secretary general, and Alberto Betancourt Roa, Cuban deputy minister for foreign trade. [title as received]

Betancourt is traveling through Latin America on behalf of President Fidel Castro inviting the continent's presidents to this meeting.

Itamaraty explained that the Brazilian Government feels that the Cartagena Consensus is the most appropriate forum to discuss this problem.

Some time ago, Castro proposed that Latin American countries abstain from paying their foreign debts.

BRITISH FOREIGN SECRETARY ARRIVES ON 3-DAY VISIT

Meets With Setubal

PY082247 Brasilia Domestic Service in Portuguese 2200 GMT 8 Jul 85

[Text] Sir Geoffrey Howe, British Secretary of State for Foreign and Commonwealth Affairs, today held his first working meeting in Brasilia with Brazilian Foreign Minister Olavo Setubal. They discussed relations between Eastern and Western countries, and the Central American situation. They agreed that the solution to the Central American conflict must be based on the action of the Contadora Group.

Comments on Argentina

PY090106 Madrid EFE in Spanish 0012 GMT 8 Jul 85

[Text] Brasilia, 8 Jul (EFE) -- Great Britain hopes that Argentina will react positively to the United Kingdom's decision to lift the trade embargo, which it levied in 1982, after the war over the Malvinas Islands broke out. This remark was made today by UK Secretary of State fore Foreign and Commonwealth Affairs Geoffrey Howe, during a banquet, which Brazilian Foreign Minister Olavo Setubal held in his honor, on the occasion of the 3-day visit Howe is paying to Brazil.

Howe today arrived in Brasilia and met with Brazilian President Jose Sarney, the Brazilian Foreign Minister Olavo Setubal, and Finance Minister Francisco Dornelles.

The British secretary of state also plans to meet with the presidents of the Senate and the Chamber of Deputies Carlos Fragelli and Ulysses Guimaraes, respectively and Central Bank President Antonio Lemgruber, to discuss Brazil's economic crisis and related issues.

Brazilian Foreign Ministry sources told EFE that during the meeting the Brazilian foreign minister and the UK secretary of state discussed matters related to the world economic crisis and the Malvinas Islands. The two officials also analyzed the Central American conflict and arrived at the conclusion that the Contadora Group's efforts to bring peace to the region are the most appropriate channels for seeking a solution to the confrontations.

An unofficial source of the British Embassy in Brazil also reported that Great Britain is not under any circumstances seeking Brazil's mediation in its conflict with Argentina over the Malvinas Islands.

In his official speech Howe stated his conviction that the solution to the problems between his country and Argentina could only be found through a joint quest for realistic agreements. He added that taking this into consideration, economic and commercial relations provide a good opportunity for rapprochement to Latin America in general and Argentina in particular.

FIRST ALCOHOL DISTILLERY TO BE SOLD TO CUBA

PY081844 Paris AFP in Spanish 1806 GMT 5 Jul 85

[Text] Sao Paulo, 5 Jul (AFPO -- Brazil and Cuba today took another step toward achieving a commercial rapprochement by negotiating the sale of the first Brazilian-manufactured alcohol distillery, according to the commercial manager of the Codistil [expansion unknown] company. The deal is virtually closed, according to Admir Zanatta, director of the largest Brazilian distillery in Piracicaba, a city located at 171 km from Sao Paulo. Valued at $3 million, the distillery will produce rum.

The possibilities for the resumption of Cuban-Brazilian diplomatic relations recently increased when the Brazilian Foreign Ministry announced its position in favor of the business transaction because it does not pose a threat to Brazilian national security. Brazilian-Cuban diplomatic relations were interrupted in 1964 within the framework of the blockade imposed on Cuba by the OAS.

Until diplomatic relations are resumed Codistil will have to export to Cuba through third countries. Admir Zanatta said that Cuba, the second largest producer of sugar in the world, is an excellent market for Brazilian-made equipment.

SPOKESMAN ANNOUNCES POSITION ON ANNUAL GROWTH

PY070024 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 6 Jul 85

[Text] The government took its time, but it finally made a decision regarding the resumption of the country's economic growth. It is not like a loud shout of independence due to the conditions set by the IMF, but at least the government has adopted a position.

The government will not adopt any measures that might hinder our 5 percent annual economic growth, presidential spokesman for economic matters Frota Netto said, adding that the government now awaits the IMF's reply to the economic package adopted on 4 July.

[Begin Frota Netto recording] The Brazilian Government is now waiting for a reply from the IMF. The government [words indistinct] did what it thought best regarding the measures for economic readjustment. President Sarney made the best decision he could think of for our country's most urgent need: the resumption of our economic growth.

The main principle upon which the president based his economic strategy is that Brazil cannot stop growing. It must grow not only at a minimum 5 percent this year, but it should increase its growth next year to the 6 or 7 percent we attained in the past. [end recording]

The presidential spokesman then added that the government may adopt complementary tax and [word indistinct] measures regarding the state companies but without hindering economic growth.

PLANNING, FINANCE CHIEFS DISCUSS ECONOMIC PACKAGE

PY060137 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Jul 85 p 21

[Excerpt] The public sector deficit will be reduced by 39 trillion cruzeiros as a result of the economic package released yesterday by the government. Planning Minister Joao Sayad and Finance Minister Francisco Dornelles announced a 15-trillion cruzeiro cut in expenditures of state-run enterprises, a 17-trillion cruzeiro increase in internal revenues, a 4-trillion cruzeiro increased revenue through the advanced collection of social security tax from enterprises, a 1.7-trillion cruzeiro savings by nonreplacement of civil servants in the central administration, and another 1.3 trillion cruzeiro savings by reducing sugar and alcohol subsidies.

Taking into account the cuts made last April, the overall reduction in expenditures by state-run enterprises will amount to 28.6 trillion cruzeiros this year, but a 13.3 trillion cruzeiro deficit will remain. The largest cut will affect the Brasilian Electric Power Companies, Inc [Eletrobras]. On the Eletrobras cut, Mines and Energy Minister Aureliano Chaves said: "The cut turned out to be somewhat different thatn the one we had agreed on."

After the package was announced, Minister Dornelles explained how the remaining 69.8-trillion-cruzeiro public deficit -- down from the original 109 trillion cruzeiros -- will be covered: The government will issue 27 trillion cruzeiros in paper money, will float securities worth 28 trillion cruzeiros, will retain disbursements worth 12 trillion cruzeiros, and will restrict public bank operations by 3 trillion cruzeiros.

The package turned out to be 10.8 trillion cruzeiros short of what the IMF recommended, but technicians who negotiate with the IMF believe that this fact will not prevent the conclusion of an agreement in the near future. The Finance Ministry, which suggested deeper cuts in public expenditures, believes that the policy to fight inflation will not be too inflexible.

The three basic directives President Sarney gave his ministers for the preparation of the package were: First, to create opportunities for the private sector; second, to provide for an economic growth of about 5 percent this year; and third, to see that inflation is reduced.

COPPER UNION LEADER CRITICIZES CNT ACTIONS

PY052138 Santiago Domestic Service in Spanish 1100 GMT 5 Jul 85

[Excerpts] Copper Union leader Guillermo Medina has said that the true representatives of the workers should be clearly identified, and denounced the actions of the members of the so-called National Workers Command [CNT], who are carrying out actions aimed at damaging the Chilean image abroad. Concerning the false union leaders, Medina stressed:

[Begin recording] This country must not permit just anyone who is retired and otherwise inactive to climb on a soapbox, urge wo kers to protest and strike, and then at the end of the month [words indistinct] collect his retirement pay. These people risk absolutely nothing. Furthermore these people, who state that they love the poor so much, are the ones who have become rich [words indistinct]. [end recording]

In addition, Medina denounced the assistance being sought abroad by the leaders of the so-called CNT who, in the last ILO assembly, failed in their attempt to challenge the representativity of the Chilean delegates.

[Begin recording] They are there, in the leadership, for political reasons and not because they have such a broad rank and file [words indistinct] which represents 300,000 workers. Who has chosen them? They are chosen by those who hold meetings at unearthly hours which result in the creation of self-styled commands or groupings. However, if they only have [words indistinct]. They deluded the ILO by saying that there was a national stoppage in Chile on 30 October 1984 that paralyzed the country. How did they delude world unionism? They live in the same Chile in which I live. [Words indistinct] that was carried out on 30 October, then they were not in the country, because the copper workers worked, the iron workers worked, the maritime workers worked, the campesinos worked, the public servants worked [words indistinct]. They go and tell lies to the ILO and tour the world, right? They ask for brotherly assistance to maintain unionism, a sort of Chilean resistance unionism, because they need funds for that reason. The international organizations are generous and wealthy and they send money. Then the poor [words indistinct] the money never makes it to their pockets. [end recording]

Medina held a meeting with Labor Minister Alfonso Marquez de la Plata and gave him a copy of the records of the ILO meeting that was recently held in Geneva.

Medina also stressed that the 48-hour work week must be respected and insisted on the need to form a permanent commission to study international agreements.

FORMER LEGISLATORS MEET, SUPPORT DEMOCRACY

PY081842 Madrid EFE in Spanish 1739 GMT 5 Jul 85

[By Senen Conejeros]

[Excerpts] Santiago, Chile, 5 Jul (EFE) -- On the 174th anniversary of the installation of the first Chilean national congress, former Chilean legislators from all political trends last night sealed their commitment to the return of democracy.

At a solemn session of the club of former Chilean legislators that was held last night somewhere in Santiago and that closed in the predawn hours of today, the former legislators, from communists to rightists, unanimously agreed that beyond anything else there is an urgent need to achieve the return of democracy.

Former Communist Senator Alejandro Toro said that on the 174th anniversary of the installation of the first Chilean congress, we want to make the solemn commitment that we shall defend and support the next democratic government. Toro added that although we do not discard the possibility that the next democratic government may not be as progressive as we would like, nevertheless we shall defend and support it because it will be a democratic government.

The former senator noted that he wanted to use the podium of the former legislators to support democracy and the power of the legislative branch in particular at a time in which the prevailing government farce denies us the possibility of expressing our thoughts.

Toro noted that we want to have a progressive democratic government that will eradicate fascism, that will try those responsible for so many deaths and pain, and that will summon people to vote on a new and authentically democratic constitution.

He added that because the unity of a nation can never be achieved if it is not done within the framework of its interests, it is essential that we achieve a democratic agreement that will not exclude any political group and that will advocate and act in favor of democracy.

Former Socialist legislator Gerardo Ahumado noted that we support everything that has been said for the sake of unity, and we express out commitment to achieve it, particularly that dealing with not forgetting what has happened over the last 12 years.

The president of the group of former legislators, Hugo Zepeda, who formerly was president of the Senate, said that the government's continued stubbornness makes it impossible to hold a dialogue. He stated that this is deepening the crisis and dragging the country into a violent and chaotic situation that will have tragic consequences while the authorities only seem to be determined to remain in power.

BRIEFS

WORLD BANK LOANS -- The World Bank has reported that during the last 12 months Chile has received 4 loans totaling $285 million. Loans of this magnitude have not been granted since 1948. [Summary] [Santiago Domestic Service in Spanish 2300 GMT 27 Jun 85 PY]

FRG HELICOPTERS -- Santiago, 30 Jun (EFE) -- After signing a contract with the Messerschmitt-Bolkow-Blohm enterprise, Chile in January 1986 will start to produce the German-made Bolkow helicopter, which can be used for military and civilian operations, Air Force Brigadier General Caupolican Boisset Mujica, the president of the National Aeronautics Enterprise, has stated. Boisset Mujica added that the BO-105 and the BO-LS will be manufactured in Chile. [Excerpts] [Madrid EFE in Spanish 1930 GMT 30 Jul 85 PY]

NEW STATE COUNCIL MEMBER -- The president of the Republic has accepted the resignation of Pedro Ibanez as member of the council of state. Businessman Eugenio (Heidemans), current president of the Chilean Security Association, was appointed to replace him. This report was delivered by Justice Minister Hugo Rosende after he held a meeting with President Pinochet in La Moneda Presidential Place. [Excerpt] [Santiago Domestic Service in Spanish 2300 GMT 25 Jun 85 PY]

M-19 CONFIRMS LINKS TO AREA GUERRILLA GROUPS

PA032323 Madrid EFE in Spanish 0409 GMT 3 Jul 85

[Text] Bogota, 2 Jul (EFE) -- Colombia's 19 April Movement (M-19) has confirmed that it has links with other Latin American guerrilla groups and stated that the bodies of many missing persons have been buried in clandestine cemeteries throughout the country. M-19 leader Carlos Pizarro Leon Gomez confirmed that information in a statement to M-19 follower Isabel, published in a bulletin issued by the OIGA HERMANO NEWS AGENCY, which the terrorist group distributes from Colombia's central mountain range.

Pizarro and Gustavo Arias Londono, alias Boris, led last week's occupations and assaults against the Army in the towns of Genova, Quindio Department, and La Herrera, Tolima Department, in which more than 20 soldiers, policemen, and rebels were killed.

The triumph of the Sandinists in Nicaragua, the heroic struggle of the Salvadorans, and the hope for the alternative for Ecuadoreans that the Alfaro Lives group provides unite Latin Americans in rescuing Simon Bolivar's ideal of America as our fatherland, Pizarro said. He denied that his group has any links with Peru's Shining Path, adding that he does not know that group's objectives. Pizarro also said that the M-19 does not have U.S. members, but that the Colombian Army does. Pizarro said that Uruguayans who had fought in the Tupamaros group and Ecuadoreans had died in Colombia within the M-19 ranks, because Latin Americans must once again join efforts in the struggle for independence. Pizarro confirmed that a guerrilla summit meeting had been held in Peru in mid-June, explaining that Latin America is burning and that it is all as one.

The guerrilla group, which stole Simon Bolivar's sword during its first operation in 1974 and signed a truce with the government in 1984, reported that according to peasants, the bodies of missing persons are buried in cemeteries throughout Colombia. This group stated that one of the cemeteries was located near Pradera, Valle del Cauca Department, in the country's southwest region, where the Army and the M-19 have been clashing for 3 months. According to this source, the body of Manuel Molina, a peasant whom the authorities list as missing, may be buried in the clandestine cemetery, along with several workers and peasants whose whereabouts have been unknown since police and military officers arrested them.

On 21 June the M-19 declared that the truce with the government was broken following several attacks on its leaders and clashes with the Army, reinforced by helicopters, tanks and bombs. According to the M-19 leaders, these acts have prompted their occupation of towns in the past 5 days.

ARMY CLASHES WITH M-19 IN GINEBRA MUNICIPALITY

PA082304 Bogota Cadena Radial Super in Spanish 1730 GMT 6 Jul 85

[Text] Cali -- The Army is maintaining strict military control in the Ginebra municipality where forces of the 19 April Movement [M-19] and Army troops have clashed in the past hours.

"Super Noticias" [newscast] learned from a military source that troops of the 3d Army Brigade are combing the corregimientos in Costa Rica, El Castillo, Pichichi and Puente Rojo, where an M-19 column attacked a police patrol last night. The military source was unable to give any information regarding casualties. However, the source said that there is an apparent calm in the mountainous zone of Valle Department.

COLORADO PARTY GOVERNING BOARD ISSUES RESOLUTION

PY050320 Asuncion ULTIMA HORA in Spanish 4 Jul 85 p 16

[Full page paid advertisement entitled: "Resolution of the Colorado Party Governing Board"]

[Text] In view of the reiterated declarations to the media by Miguel Angel Gamarra Dure and Maximo Ozuna, candidates to the presidency of the Ignacio A. Pane Center and to the presidency of the Press and Propaganda Commission of the Colorado Integration Movement [MIC], respectively,

Whereas:

1. The mentioned declarations represent serious acts of misconduct by party members, since they are not in keeping with the democratic principles that are the bases of our political association;

2. An internal political confrontation between partisan groups cannot justify the violation of principles established by the Colorado Party Foundation Manifesto, which states that fellowship, harmony, and fraternity are the duties of all fellow partisans;

3. The struggles among our party rank and file have never gone to the extreme of considering a fellow partisan an enemy, but rather as a temporary opponent as a result of the freedom that prevails within the party and the highest form of democracy that rules our party actions;

4. The declarations undermine a basic principle of any well-organized political party, that is, conscious partisan discipline, and dangerously threaten the existence of our association, which has always been characterized precisely by the respect that all members of the party leadership have always deserved, since they represent, as is the current case, republican sovereignty;

5. The shameful tone of the charges set a serious precedent for present and future generations of university students regarding the behavior of fellow partisans;

6. These charges cannot be considered, because, in addition to not specifying the alleged charges against the delegates of this board to the Ignacio A. Pane Center, they make absurd allegations that lack the backing of the party regulations;

7. The patriarchal and outstanding figure of Professor Juan Ramon Chaves, which has never been questioned even by our party opponents, has a moral stature that should be a permanent example to the young and adult Colorado people. Therefore, such an insult to the dignity of an honest, patriotic man, who has been a true teacher of youth and with more than 60 years of active participation in Paraguayan civic life, which anti-Colorado attitudes are trying to diminish, cannot be tolerated;

8. Neither can the unjust attack against illustrious leading members of this body, who were unanimously appointed as delegates to the Ignacio A. Pane Center, which is headed by an old-time defender of the republican cause at all times, be tolerated;

9. The National Republican Association Governing Board has the duty of seeing that the statutes are respected and of safeguarding its eternal principles, as is established in Articles 10 and 12, Clauses 5 and 11, and in other pertinent resolutions;

The Honorable Governing Board hereby resolves:

1. To emphatically condemn the attack against the dignity of Juan Ramon Chavez, president of the National Republic Association Governing Board, and to express its full support for his useful party leadership;

2. To voice its full approval of the work carried out by the Governing Board delegates to the Ignacio A. Pane Center, Pedro Hugo Pena, Americo Velazquez, and Martin Chiola, and to voice its support for all their actions and for the remaining members, who were unjustly and incomprehensibly attacked;

3. To strongly and categorically repudiate the public statements by members of our party against the National Republican Association Governing Board, since they are detrimental to the legitimate party authority;

4. To establish a special commission composed of three members of this board to investigate the charges made and to suggest measures to be taken should these charges be proven to be true;

5. To authorize Professor Juan Ramon Chavez, president of the honorable Governing Board, to appoint the fellow party members who will form the aforementioned commission.

Signed by the following members of the Honorable Governing Board for the 1984-87 term. Juan Ramon Chavez, president; Sabino Augusto Montanaro, first vice president; Ruben Stanley, second vice president; Dr Adan Godoy Jimenez, third vice president;

Secretaries: Pedro Hugo Pena, Mario Abdo Benitez, Juan Roque Galeano; Treasurer General Marcial Samaniego; Deputy Treasurer Juan Esteche Fanego;

Members: Carlos Augusto Saldivar, Juan Manuel Frutos, Saul Gonzalez, Hipolito Sanchez Quell, General Cesar Barrientos, Dr Dionisio Gonzalez Torres, Manuel Frutos Pane, Raul Sapena Pastor, Cesar Romeo Acosta, Rosa Agustin Gonzalez, Bacon Duarte Prado, Conrado Pappalardo Z., Agustina Miranda Gonzalez, Roque J. Avila, Pastor M. Coronel, J. Eugenio Jacquet, Oscar Zacarias, Adolfo Zayaz, Rigoberto Caballero, Americo A. Velazquez, and Persio da Silva;

Alternate members: Martin Chiola, Luis A. Peralta Baez, Salvador Ruben Paredes, J. Antonio Vera Valenzano, Silvio Meza Britez, Carlos Romero Arza, Jose A. Moreno Ruffinelli, Miguel A. Lopez Jimenez, Angel Roberto Seifart, Hiran Delgado Von Leppel, Manuel M. Esquivel, Fransica Delgado de Martinez, Cesar I. Riquelme, Raul Ernesto Villalba, Jose Martin Sellitti.

The meeting was also attended by the following ministers: Transportation Minister General Juan A. Caceres; Defense Minister General Gaspar German Martinez; Industry and Commerce Minister Delfin Ugarte Centurion; Education Minister Carlos A. Ortiz Ramirez; and Agriculture Minister Hernado Bertoni.

CHURCH ISSUES COMMUNIQUE ON RECENT DEVELOPMENTS

PY061137 Asuncion Radio Primero de Marzo in Spanish 1540 GMT 5 Jul 85

[Communique released by Archbishopric of Asuncion entitled "Sounding Out the Republic" on 5 July]

[Text] The news the media carries everyday is giving citizens the impression that something is amiss in our society, something serious and profound, involving people and institutions.

Reference is made to such things as fraud, malfeasance, large-scale smuggling, drug trafficking, abuse of authority, torture of defenseless citizens, and bitter dissensions with accusations and contradictions launched here and there against people, groups, and political parties, as well as lies.

The diagnosis is not reserved, but visible and public: Impunity, privileges, ambition for money and power, moral decadence, and incompatibility between lifestyle and faith in so-called Christians. Although the church does not pursue social and political objectives, it has through its own religious mission functions, enlightenment, and energy that can be useful in reestablishing and consolidating the human community in accordance with the divine law. The church for this reason is sensitive to human problems and tries to bring light and guidance through God's word to help resolve them in terms of truth, justice, and love.

Among the problems which concern the church, two types can be discerned: Fraud against the state, that is, against the people; and dissent that threatens to divide brothers. The thieves -- this is what they should be called -- must be turned over to ordinary judicial proceedings to clear up the situations, to indict the culprits, to establish culpability, and to punish. Punishment must be meted out appropriately. This includes the return of what has been stolen from the Paraguayan state, and reparation for the material and moral damage caused by the crimes committed. It is to be deplored that these situations should also involve those who call themselves Christians.

The judiciary system would be committing serious injustices if deals and compromises, bureaucracy and red tape allow the culprits to go scot-free, to enjoy all or part of what has been taken from the people. The people need to renew their faith in the courts, lawmen, and the law. As for dissent, the main nucleus of which is the police [as heard], there would not be much concern if it were restricted to arguments, denunciations, and protests, without disturbing public order and human rights, because to dissent in reasonable terms is a natural right of the people, and because the human mind can perceive only part of the truth.

As long as morals and laws are respected, there should be no oppression or threats, and certainly not violent repression. Articles 71 and 72 of the national Constitution guarantee freedom of opinion and expression. Thanks to the freedom to debate and to state positions, the ideas can be clarified and more comprehensively understood, programs can be enriched, selfish ambitions can be contained, and the truth, freedom, and the people, which are like defenseless grown-up children, can be defended. It is time to illuminate the darkness.

The dialogue between two parties, especially if they are political, is viable when both have good intentions and goodwill. Pope John Paul II said in his 1983 peace message that the search for truth, justice, and goodness for all men is fundamental, and so we must be open and listen to the opinion, demands, and problems of others. The intercommunication must give rise to understanding, agreement, and cooperation by recognizing that the other person is equal to oneself and that perhaps in other circumstances one may have held the same opinion that the other now holds.

The Christians, especially those who are political party militants, are committed by their faith to seek dialogue, understanding, and unity above party interests and discipline. This is the behavior that must be honored so that we can all speak the same language.

USSR NOT INVOLVED IN EXPORT IRREGULARITIES

PY281715 Lima Radioprogramas del Peru in Spanish 0000 GMT 28 Jun 85

[Exports] Industry Minister Alvaro Becerra Sotero stated that the Pesquera del Pacifico Company will have to pay back $350,000 that was improperly appropriated through export certificates [Certex]. He added that industrial exports to the USSR amount to $143 million of the $200 million in exports that we have agreed upon. Here is what Becerra and Deputy Commerce Minister Raul Ortiz de Zeballos said on this subject.

[Begin recording] [Becerra] I believe that the Pesquera del Pacifico Company (?should not) be awarded this amount because it does not generate resources. (?These are) products that are processed in foreign fishing vessels. These are foreign goods processed by foreign labor. I do not see why this company should be paid this amount. I do not think this company deserves it.

[Reporter] How much did the Pesquera del Pacifico Company receive through export certificates?

[Becerra] Deputy Commerce Minister Raul Ortiz de Zeballos can provide you with first-hand information on this.

[Ortiz de Zeballos] The company wanted about $1 million, but we only granted them about $350,000, which the company has been asked to pay back.

[Reporter] Are all irregularities concerning Certex under control?

[Ortiz de Zeballos] Yes, completely. We have enforced all the measures that were necessary. [passage indistinct] The (?Peruvian administration) will disclose within a few days a series of regulations that have been issued by the Commerce Ministry, through which all those companies that have illegaly profited from this will be punished.

[Reporter] To end this short interview, how do you view this problem with the Pesquera del Pacifico Company and the issue of the Soviet fishing boats that arose as a result of it?

[Ortiz de Zeballos] This has nothing to do with the Soviet Union. It is an issue that strictly concerns a Peruvian company, which is involved in some irregularities and which now has to obey the law. The Soviet Union has nothing to do with this, aside from the fact that the company in question had some contracts with a Soviet company.
[end recording]

URANIUM DEPOSIT DISCOVERED IN MACUSANI, PUNO

PY292130 Paris AFP in Spanish 2127 GMT 28 Jun 85

[Text] Lima, 28 Jun (AFP) -- General Juan Barreda Delgado, president of the Peruvian Institute of Nuclear Energy [IPEN], reported today that a 600-square-km uranium deposit has been discovered in Macusani, Puno, some 1,300 km southeast of Lima. The estimated potential of this mine is 200,000 tons of uranium ore. Recalling that uranium was first detected in this zone in 1978, Gen Barreda stated that the first uranium deposit of Macusani has a confirmed reserve of 34,000 tons. In view of the importance of the discovery, experts from the International Atomic Energy Agency [IAEA] made the final studies in 1983. He added that the possible reserves, according to the studies, amount to 40,000 tons and the negotiable value of that amount reaches $4 billion, with a net worth of $1.6 billion.

Barreda recalled that IAEA expert Enzo Locardi defended the theory (1983) that that zone was in fact a volcanic basin where for thousands of years a natural uranium deposit has been forming. He said that a land expedition sent that same year obtained natural samples of uranium that had unique purity levels of up to 60 percent. Higher purity levels, said Barreda, are found only in laboratories.

Gen Barreda added that so far only prospecting and research have been done, and that a little more than $2.075 million have been invested. He added that the Peruvian Government has not invested larger amounts of money and that it is not in a position to exploit the deposit because it would take $15 million just to do some test in Macusani, and between $150 million and $200 million would be need to exploit the mine.

FUTURE MINES MINISTER ON PLANNED MEASURES

PY081803 Lima Radio Pacifico in Spanish 1300 GMT 8 Jul 85

[Text] Wilfredo Guaita, the future energy and mines minister, yesterday announced that during his administration he will give special support to small and medium-sized mining enterprises. He said that Peru has a great mining potential, but that hard work is necessary to turn mining into the economy's pivotal sector.

Guaita met yesterday with the president-elect at the latter's residence in Chacaria del Estanque. He said that to attain its objective in the mining sector, Peru will follow the example of Mexico, where the mining industry was boosted by exempting it from taxes. He also said he would encourage oil prospecting and exploration in the Selva region to increase the country's reserves.

He said that on 8 July he will chair a meeting of the presidents of the departmental corporations and the directors of the various ministries to review the country's economic situation.

Asked about progress on the development plan for the emergency zone, Guaita said he was awaiting the report on the conclusions of the respective commissions and then he would have something to say.

BRIEFS

VIVAS FOR ANDEAN COUNTRIES -- Lima, 28 Jun (AFP) -- Prime Minister Luis Percovich today announced in Lima that Peru has eliminated the visa requirement for the entry of citizens from the other four member countries of the Andean Pact (Bolivia, Colombia, Ecuador, and Venezuela). The Peruvian move was made effective through a supreme decree signed today. According to the decree, citizens from the Andean countries will automatically have a 60-day residence permit, which may be extended upon request. [Excerpts] [Paris AFP in Spanish 0157 GMT 29 Jun 85 PY]

INFLATION RATE UP -- Lima, 1 Jul (EFE) -- The National Institute of Statistics (INE) in Lima today reported that over the first half of 1985 inflation in Peru has climbed to 87.7 percent. The INE reported that the cumulative inflation rate between June 1984 and June 1985 reached 168.8 percent. [Excerpt] [Madrid EFE in Spanish 2330 GMT 1 Jul 85 PY]

PRI COMMUNIQUE CLAIMS VICTORY IN ELECTIONS

PA082300 Mexico City XEW Television Network in Spanish 1300 GMT 8 Jul 85

[Report by Juan Manuel Renteria]

[Text] Shortly before midnight, the PRI issued a communique claiming a complete victory in the elections of Sunday, 7 July. Deputy Juan Saldana Rosell, PRI information and propaganda secretary, read the communique reporting PRI's victory:

[Begin recording] The PRI constantly struggles to hold power in order to carry out, through its final resolution, the historical plan of the Mexican revolution. It strives to preserve the legitimacy of public power as a genuine expression of the will of the majority in keeping with the constitutional principle of popular sovereignty.

These fundamental principles have been invariably adhered to by our candidates, our leaders, and our broad militant base with a deep sense of responsibility and party discipline, which clearly become evident during the election campaigns and through a large-scale national program to promote voting by PRI members, which our organization carried out throughout the country.

Today, 7 July, at an hour when the voting has virtually ended, our party is in a position to say that the citizens have favored the party with their votes in a vast and clear majority of popularly elected posts. Our party, in keeping with its invariable determination to show unqualified respect for laws, will reassuringly and confidently wait for the results of the final tally by electoral authorities.

Based on the list of voting results gathered by our representatives at polling stations throughout the national territory, we anticipate victory for the PRI in the elections for governor in the states of Campeche, Colima, Guanajuato, Nuevo Leon, Queretaro, San Luis Potosi, and Sonora. In addition, we can assert that we have obtained clear victories in the federal electoral districts, in local districts, and in the mayoralties with elections.

Provocation and violence found no response amid our population. This completely discredits those who predicted a violent election day. Our party stresses that these victories demonstrated the Mexican people's political will to strengthen the system of freedom, independence, democracy, and justice that our people have given themselves.

Today the PRI acknowledges the maturity, sense of responsibility, advocation of freedom, and deep nationalist and revolutionary spirit of the people of Mexico. Thank you very much. [end recording]

PAN LEADER CHARGES POLICE ATTACKED REPORTERS

PA081658 Madrid EFE in Spanish 1611 GMT 8 Jul 85

[Text] Mexico City, 8 Jul (EFE) -- A leader of the Mexican National Action Party (PAN) charged here today that there is much unrest in the State of Sonora in view of the violations that occurred in Sunday's elections. Fermin Andrade Sanchez, candidate for civil magistrate for the municipality of Cajeme, stated on the telephone that reporters from Mexico, the United States, and Canada had been attacked by Sonora police agents.

Andrade noted that the reporters, whose names were not given, worked for the U.S. newspaper in the state of Arizona (U.S.A.), and a Canadian newspaper, as well as the Mexican news agencies NOTIMEX (state), and INFORMEX (private).

Andrade insisted that the reporters were attacked by the police with sticks and stones and the vehicles in which they were traveling to and from the electoral precincts to cover the elections had also been damaged.

The PAN candidate added that in Cajeme there were 50 injured and 25 in Obregon City, although none were seriously injured.

He also said that in San Luis Rio Colorado there were two injured seriously, while members of PAN and 70 supporters of the party were arrested in Sonora and later released in view of the insistence of their fellow militants.

Andrade claimed that in Obregon City they stole 40 ballot boxes and probably similar incidents also occurred in nearby regions. The politician also charged that Hector Soto, PAN candidate for mayor in Etchojoa, was arrested by the police, and his whereabouts are unknown.

GOVERNMENT SECRETARY ON PEACEFUL ELECTION

FL090034 Mexico City NOTIMEX in Spanish 1505 GMT 8 Jul 85

[Excerpt] Mexico City, 8 Jul (NOTIMEX) -- Mexican Government Secretary Manuel Bartlett Diaz asserted very early today that elections were held peacefully all over the country and that the victory belongs to the Mexican people.

Bartlett Diaz, who is also president of the Federal Electoral Commission (CFE), told delegates of the nine political parties that millions of Mexicans had voted freely and in orderly fashion.

At the closing of the permanent sessions of the CFE, which is responsible for the electoral process and its vigilance in Mexico, the official said that the peaceful and orderly manner in which the voting had taken place demonstrates that Mexico is a mature country regardless of the problems that occurred at some of the voting places.

He also congratulated the political parties which, despite differences and incidents, worked hard to obtain today's results. He added that the victory belongs to the Mexican people and that the elections were held peacefully and in orderly fashion.

CONATO COMMUNIQUE ON WITHDRAWAL FROM TALKS

PA071921 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Jul 85 pp A 1, C 2

[Communique issued by the National Council of Organized Workers in Panama City on 6 July -- capitalized passages published in upper case]

[Text] THE NATIONAL COUNCIL OF ORGANIZED WORKERS (Conato), bearing in mind the respect the citizens in general and the working class in particular deserve, EXPLAINS WHAT IS PREVENTING the formation of the national commission for the national development plan as stated in the agreement signed by representatives of the executive branch and Conato, with the help of Legislative Assembly members on 3 July 1985 and which led to the suspension of the recent national strike.

1. The president of the Republic, implementing the aforementioned agreement, requested in a note dated 3 July 1985 that "the name of 10 Conato members be submitted as soon as possible to form the national commission for the national development plan, which will meet at the Presidency of the Republic at 1400 on 4 July."

2. Responding to this note from the president, Conato immediately appointed and submitted the names of the 10 representatives and alternates who were to be members of the commission for the national development plan.

3. To our surprise, when the national commission was installed we realized that the labor minister had invited other persons to join the Conato delegation in the commission, which is a flagrant intervention in the autonomy of our organization and a violation of the agreements signed on 3 July 1985. A similar incident happened with the National Council of Private Enterprise [CONEP].

4. Conato views this attitude of the executive branch, through the labor minister, as a lack of will to fulfill the 3 July agreements and as a way to prevent the installation of the commission to begin the national dialogue on the country's development plan.

5. In the face of the great responsibility it has with the workers and the people in general in view of the economic crisis that is affecting us, Conato wants to promptly begin a dialogue based on mutual respect and without impositions from the executive branch.

In view of the above, we alert all Conato members to attend the national council of delegates meeting to discuss upcoming actions to be taken in the face of the executive branch's sabotage to prevent the installation and the work of the national commission as had been established in the 3 July agreement.

Panama, 6 July 1985

[Signed] Martin Gonzalez, Jr, Conato coordinator; Aldo Cantillo S.

COSTA RICA

FOREIGN MINISTER ON CAUSES FOR INVOKING TIAR

PA062334 San Jose Radio Impacto in Spanish 1830 GMT 5 Jul 85

[Text] As established in international laws, the border incident between Costa Rica and Nicaragua does not merit invoking the Inter-American Reciprocal Assistance Treaty [TIAR], said Costa Rican Foreign Minister Carlos Jose Gutierrez. The Las Crucitas incident occurred but did not continue, and the TIAR can be invoked if an action continues, Gutierrez added. Foreign Minister Gutierrez said that he believes it is almost impossible for Costa Rica to invoke the TIAR in this case. Even though the Sandinist violations and aggressions are frequent, we are not facing a situation such as the 1949 and 1955 invasions, the foreign minister concluded.

DEPUTY FOREIGN MINISTER URBINA RESIGNS

PA072117 San Jose LA REPUBLICA in Spanish 28 June 85 p 4

[Text] Deputy Foreign Minister Dr Jorge Urbina's resignation will be effective 15 July when he begins working as an international policy adviser to Dr Oscar Arias Sanchez. Urbina, who replaced Erkhart Peters in that post in February 1983, will assume programatic information duties within the National Liberation Party. Urbina, whose father is a former government minister, announced his irreversible resignation to Foreign Minister Gutierrez yesterday. During the past few months, he has headed Costa Rica's delegation to the Contadora Group meetings in Panama.

INVESTIGATION OF SEIZED ARMS SHIPMENT CONTINUES

PA062315 San Jose Radio Impacto in Spanish 1830 GMT 5 Jul 85

[Text] The Intelligence and Security Directorate continues the investigation of the weapons confiscated from the Bente Folmer, a Danish registered ship, at the port of Caldera. Apparently, the ship picked up its cargo of weapons at several European and South American ports. However, the destination of the cargo is still not clear. According to (Saborio), the Puntarenas customs officer who discovered the weapons, one of the boxes was marked: destination Corinto.

Many versions have been heard regarding this matter, one of these being that the Spanish Basque Fatherland and Liberty Organization, ETA, could be linked to this. However, it has been confirmed that some of the weapons were picked up at the port of Bilbao and that the destination was Buenos Aires. It is also said that more weapons were picked up in Iquique, Chile, and in Peru. Many questions still remain, such as the ship's route, its owners, destination of the weapons, real identity of the crew, the ship's true registry, and other such details.

BRIEFS

MONETARY COUNCIL SECRETARY -- Olivier Castro, manager of the Central Bank, has been appointed secretary of the Central American Monetary Council, with headquarters in El Salvador. Castro has resigned his Central Bank post, where he served for over 23 years. [Summary] [San Jose Radio Reloj in Spanish 1330 GMT 30 Jun 85 PA]

EL SALVADOR

FMLN LIFTS BAN ON NORTHERN TRUNK HIGHWAY

PA060254 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 4 Jul 85

[Text] Attention Salvadoran people. Attention Salvadoran and Honduran drivers. Effective 4 July, the FMLN lifts the ban on the movement of public, commercial, and private vehicles along the Northern Trunk Highway [words indistinct] territories controlled by the people in Chalatenango, where our units are firmly holding their positions.

FMLN DECREES NATIONWIDE TRAFFIC PARALYZATION

PA090040 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 9 Jul 85

[Text] Attention, attention, public transportation drivers throughout our national territory; attention, Salvadoran people. The FMLN General Command decrees the parlyzation of traffic beginning in the first hours of Wednesday, 10 July. We repeat, the FMLN General Command decrees a general paralyzation of traffic at the national level, on all highways throughout our country, as of the first hours of Wednesday, 10 July.

FARABUNDO MARTI REPORTS CLASHES IN CHALATENANGO

PA061812 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 5 Jul 85

[Text] On Friday, 5 July, the guerrilla forces of our people achieved another victory here in Chalatenango Department. Early on the morning of 5 July the defeated and annihilated [words indistinct] of the Civil Defense were in San Miguel de Mercedes, south of Chalatenango. Our companeros carried out a successful attack with the following results:

We have recovered for our revolutionary arsenals the following: 30 carbines, one 30-mm machine gun, one TRK-77 military radio, 1,600 cartridges for carbines, and over 1,400 rounds of 7.62-mm cartridges. We are still receiving details of this successful operation by our guerrilla units. The operation was called: "Forward Workers, Not One Step Backward!"

Our companeros also placed barricades between San Miguel de Mercedes and (Potonico). We also sabotaged the electric service in that town. We have carried out a successful operation, recovered more weapons for our people in arms, and, of course, dealt a heavy blow to the enemy.

On the night of 4 July other guerrilla units attacked a section of the 1st Detachment, which is situated in Concepcion Quezaltepeque. In that clash our companeros inflicted one casualty on the detachment's troops.

We have more details on the Civil Defense post we attacked early in the morning of 5 July in San Miguel de Mercedes, in this heroic and invincible Chalatenango Department. We recovered 30 M-2 gringo-made carbines, made in the United States, one TRK-77 radio, 1,600 cartridges for 30 mm-machine guns, and 1,400 rounds of 7.62-mm cartridges. In addition, we inflicted seven casualties on the enemy during the clash, five in San Miguel de Mercedes and two in the attack near Chalatenango city.

In order to give our Radio Farabundo Marti listeners an idea of where this is happening, San Miguel de Mercedes is in southern Chalatenango Department, just 2 km from the capital of Chalatenango Department.

GUATEMALA

REVOLUTIONARY GROUP MURDERS MILITARY COMMISSIONER

PA081943 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 8 Jul 85

[Text] A military commissioner, (Juan de Jesus Vidas Abrega), and his wife Baudilia Garcia Montijar were shot to death in their home in [words indistinct], Zone 3, Tierra Nueva, Chinautla municipality.

According to reports, the criminals entered the residence at about 0500 and shot the couple. The attackers left a note saying: This is how traitors die. It was signed by the Revolutionary Organization of the People in Arms [ORPA].

GUERRILLAS, ARMY CLASH IN EL PETEN 3 JULY

PA062251 Guatemala City PRENSA LIBRE in Spanish 4 Jul 85 p 7

[Text] An armed clash occurred yesterday in Dolores and Colpeten, El Peten Department, in which three rebels were killed and two soldiers were wounded.

The official report states that the military patrols guarding the area around Dolores were informed of the presence of a group of armed men who had come down from the nearby mountains to hold meetings in these two towns. The patrolmen immediately entered the area, and this resulted in a clash.

The three dead rebels were not identified because they were not carrying documents. Their weapons were recovered. They had M-16 rifles, fragmentation grenades, and back-packs containing food.

The wounded soldiers were transferred via air to a health center away from the area. They are in stable condition, the Army Public Affairs Office added.

BRIEFS

AMBASSADOR, ATTACHE RETURNING -- Colonel Guillermo de la Cruz and Colonel Victor Manuel Francisco Abadia del Cid will be rejoining the Army. De la Cruz is now Guatemala's ambassador to Honduras, and Abadia is the Guatemalan military attache at the embassy in Colombia. This announcement was made by government spokesman Ramon Zelada Carrillo. [Summary] [Guatemala City PRENSA LIBRE in Spanish 6 Jul 85 p 2 PA]

HONDURAS

FREED FRG BIOLOGIST TURNED OVER TO EMBASSY

PA052144 Panama City ACAN in Spanish 2104 GMT 5 Jul 85

[Excerpts] Tegucigalpa, 5 Jul (ACAN-EFE) -- West German citizen Regina Schmemann, who had been captured by an anti-Sandinist group, was free at noon today after being turned over to the German Embassy in Tegucigalpa.

Schmemann was received by members of the FRG Embassy in this capital at 1230 local time (1830 GMT).

The Nicaraguan Miskitos, Sumus, and Ramas [Misura] rebel group released the German last night to members of the Honduran Army, which arranged for her to be transferred from the Mosquitia region to the capital. Two Nicaraguans are still being held by the rebel indigenous group that includes Miskitos, Sumus, Ramas, and black Creoles of the Nicaraguan Atlantic coast.

Misura hopes to exchange the two Nicaraguans for five of its militants held by the Sandinist People's Army.

Schmemann was taken from the Honduran Mosquitia region, where the Misura group turned her over to the local Army, aboard an Air Force aircraft that left her in the military terminal of the airport of Tegucigalpa. The German was received by personnel of the FRG Embassy, the International Red Cross, the Honduran Red Cross, Honduran military personnel, and her sister identified only as Mrs Schmemann de Wacher.

In brief statements to several newsmen gathered at the Tegucigalpa Air Base, the German said: "The Misura Indians treated me well. I rested for a week, which is why I do not feel that I have to remain long in Honduras." Authorities of the German Embassy in Tegucigalpa told ACAN-EFE that they will give a provincial passport to Mrs Schmemann so she can leave the country. They added that Schmemann may travel tomorrow to Mexico and that it is up to her "whether or not she makes statements to newsmen on the details of her captivity." The German citizen is staying in a hotel in the capital and media representatives are making efforts to obtain more statements from her.

The German Embassy issued a communique at noon today announcing Schmemann's release, condemning the taking of hostages by any armed group in the world, and thanking the International Red Cross and Honduran authorities for their intervention. The embassy also expressed the hope that the two Nicaraguans being held by Misura will soon be released.

U.S. WEAPONS ARRIVE FOR USE IN MANEUVERS

PA031435 Managua Domestic Service in Spanish 0300 GMT 3 Jul 85

[Text] Tegucigalpa, Honduras -- A shipment of M-102 105-mm mortars used by the U.S. Army arrived today in Honduras to be used during a new phase of the military maneuvers with the Honduran Army. Two C-5 planes transported the shipment of U.S. weapons to La Mesa Airport, San Pedro Sula. At the same time, U.S. soldiers were deployed to the headquarters of the 2d Artillery Battalion in (Tinanejo), Santa Barbara Department. Honduran military sources reported that the maneuvers, with these weapons, will be held between 5 and 10 July.

BRIEFS

AMBASSADOR RESIGNS -- Roberto Martinez Ordonez, Honduran ambassador to the OAS, has resigned to participate in the campaign of candidate Oscar Mejia Arellano. An unidentified source reported this at the Foreign Affairs Secretariat yesterday. [Summary] [Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 20 Jun 85 PA]

NICARAGUA

PRESIDENT ORTEGA COMMENTS ON D'ESCOTO FAST

PA082302 Managua Domestic Service in Spanish 1749 GMT 8 Jul 85

[Interview with President Daniel Ortega Saavedra by unidentified reporters at the Monsignor Lezcano Church Assembly Hall in Managua on 8 July -- live]

[Excerpts] [Question] Companero President, in your opinion, what type of international support might this expression of Christian rejection of the aggressive policy being carried out against the Nicaraguan people have?

[Ortega] I trust, I am sure, that this evangelical act by Father Miguel in Nicaragua will not only receive the Nicaraguan Christians' support, but also that of Christians in the United States, Latin America, and the world.

[Question] What is the president of the Republic's feeling about Father Miguel D'Escoto's request?

[Ortega] We have countered the U.S. aggression with the military defense of the revolution, first of all, with the fighters of our Army, the peasants, and the militia. We, the Nicaraguan workers, the Nicaraguan youth, have also countered the aggression with our production efforts. We have countered the aggression in the international legal sector by presenting charges against the United States as the International Court of Justice and accepting the Contadora Group's peace document. This is really a new mode of struggling for peace. It has emerged from Father D'Escoto's spiritual retreat with his brothers in faith. Therefore, when he asked us to extend his leave so that he could start fasting, we were not surprised by the request because we were sure that something would come out of the meetings being held. Logically, we supported his decision and gave our authorization so Father D'Escoto could start fulfilling what he feels is a moral obligation to the Nicaraguan people: to defend Nicaragua's peace and integrity.

As long as this lasts, Companero Jose Leon Talavera will act as foreign minister because Deputy Foreign Minister Victor Hugo Tinoco is touring South America with Companero Sergio Ramirez. This morning they met [in Argentina] with Foreign Minister Dante Caputo and were scheduled to meet later with President Raul Alfonsin. Companera Deputy Foreign Minister Nora Astorga is preparing to leave for the United States. Consequently, Companero Talavera is currently in charge of the Foreign Ministry.

[Question] Commander, how will Father D'Escoto's decision affect relations between the Nicaraguan state and the church?

[Ortega] I think that this decision should be respected by the entire world. It is a gesture in favor of peace and we are sure that it will have no bearing on the efforts being exerted by the revolutionary government and the Episcopal Conference of Nicaragua in favor of peace.

[Question] [Words indistinct] aren't concerned about Father D'Escoto's health?

[Ortega] Well, we have not opposed...[rephrases] we respect Father D'Escoto's decision. Of course we are concerned about Father D'Escoto's health because we know that he underwent surgery twice in recent months.

Therefore, his state of health is not the best. In fact, the most recent medical reports pointed out that he had not fully recovered from the last surgery. Therefore, even though we are concerned, we did not object to Father D'Escoto's decision. In fact, we supported it. Thank you.

D'ESCOTO DISCUSSES STRUGGLE FOR PEACE WITH PRESS

PA090025 Managua Domestic Service in Spanish 1609 GMT 8 Jul 85

[Press conference by Foreign Minister Father Miguel D'Escoto, with national and international journalists; place not given -- live]

[Excerpts] [Mediator] Co panero Saldua of LA JORNADA.

[Saldua] [Question indistinct]

[D'Escoto] In the latter part of 1972 and in 1973, before there was a popular insurrection and before a call to carry it out was made, I spoke with -- do not ask me for names -- top-level church leaders and many priests. I told them that war was coming to Nicaragua. I told them our people are very patient, but they are human and every human being has limited patience. I said that war would break out anytime.

I had no idea that someone was plotting an insurrection, but that was inevitable. That was the obvious reaction of conscientious people, of people who love their homeland, Nicaragua. I told them: Let us do something now to prevent the expected, because we have not developed other means. I remember asking clergymen, bishops, priests, nuns, and laymen to take to the streets, armed only with our rosaries and hymns, to repudiate all the wickedness of the system imposed and maintained by the United States in Nicaragua.

However, that was not done. In fact, we saw strange reactions when it began. At any rate, I continue to ask myself: What would have happened had we actually done it? We are now experiencing a similar situation. U.S. imperialistm kills our brothers and sisters every day, causing sorrow through kidnappings, tortures, systematic murders, and the systematic destruction of our schools, plantations, and health centers. There is talk in the United States every day, with increasingly naturalness, about a direct invasion, which has been carried out in Nicaragua so many times before.

Faced with this situation, what can we do? As before, we can simply prepare ourselves to offer military resistance, we can do only that. I say: Let us do that. We are obliged as men, Nicaraguans, and Christians to prepare ourselves to offer resistance. However, we are also obliged to prevent this kind of action through all diplomatic means and initiatives that you are well aware of. We must also use evangelical means to protest these criminal actions, especially because we are facing a situation in which those who ordered the murder of people are trying to justify state terrorism against Nicaragua by claiming they defend Christians and defend Judeo-Christian principles. It is evident that they actually are trampling on those same principles with their blasphemous, immoral, and antibiblical policy.

[Name indistinct of TASS] Father D'Escoto, in your opinion, what is the greatest obstacle to world peace at this moment, and what can Nicaragua do to help achieve peace and detente?

[D'Escoto] Look, there is no doubt that one of the greatest... [rephrases] I would say and have said that the main threat to international peace and security is the systematic rejection of international law.

As you know, 40 years ago this year, following World War II, the United Nations was created to prevent a third world war and to ensure international peace and security. Its charter was drafted and signed by almost all countries of the world with very few exceptions. In fact, 99 percent of the countries in the world signed it and are committed to respecting it.

That UN Charter, among other things, specifies the people's right to self-determination, non-intervention in domestic affairs of other peoples, prohibits the use of or threat to use force in relations between sovereign states, and contains a number of other principles. The United States is not only violating that international juridical order in a very clear way, which is evident to all the world, but it is also defending its right to violate it. That country proposes a new order in which power means right -- the right of the mightiest.

You have probably heard or read that the U.S. President proclaimed to the world before the press that he believes in the U.S. Government right to resort to covert action. That is a euphemism used to mean the use of state terrorism and actions to destabilize or topple a government of a sovereign country. The President said that he believes in the right to do that as long as, in the view of the U.S. President, those actions are in keeping with the interests of his country.

We heard the U.S. secretary of state and several other government officials repeatedly saying things like: There cannot be efficient diplomacy if it is not accompanied by a dose of pressure and the use of force cannot and should not be ruled out a priori from this pressure that is essential to efficient diplomacy. (?This constitutes) the use of force and tough talk -- that is what they claim -- in an effort to exert pressure on us to make us yield to the imperial order.

This kind of behavior is, in my opinion, the greatest threat to international peace and security. This is why we resorted to the International Court in the Hague. We always had that option in mind. However, when I decided to firmly ask the president to give me a green light to present a charge against the United States in that court, I did so thinking that Nicaragua must defend that international juridical order.

Of course, there are other important threats to peace including the arms buildup that has been taken to such a foolish extreme that there is now an attempt to solve problems on earth by transferring war to outer space. There is another important threat: The attitude of solving everything by force and becoming stronger each day in order to bend those not willing to follow the imperial will voluntarily. In my opinion, those are the greatest obstacles to peace.

However, I am convinced that Christians have much to contribute to removing those clear and evident obstacles and threats to peace. We must do just that with specific actions. That is in fact what we are trying to do now with our small and modest action.

FOREIGN MINISTER D'ESCOTO SAYS REAGAN 'CYNIC'

PA090411 Managua Radio Sandino in Spanish 0300 GMT 9 Jul 85

[Text] Replying to the U.S. President's charges against Nicaragua, our country's Foreign Minister Miguel D'Escoto Brockman said today that Reagan is a cynic.

Father D'Escoto said: Reagan's attitude deserves worldwide condemnation, rejection, and repudiation. Father Miguel D'Escoto has begun a campaign of prayers and fasting to stop what he called the U.S. Government's demon of aggression.

By beginning a fast and prayers, Father Miguel D'Escoto has lit a flame of hope that will have an impact in Latin America and throughout the world, Father Jose Miguel Torres, director of the Ecumenical Board, said. Torres added: We support this initiative because it joins the diplomatic and political endeavors undertaken by our government in order to achieve peace. The U.S. Government must realize that the world does not need an orgy of bloodshed and murders since we want peace and mutual respect among the peoples, he said.

RAMIREZ DISCUSSES CONTADORA GROUP ROLE

PA080100 Caracas EL NACIONAL in Spanish 28 Jun 85 p D 10

[Report on an interview with Vice President Sergio Ramirez Mercado by correspondent Nelson Rodriguez A. -- date, place not given]

[Excerpts] [Rodriguez] Sergio Ramirez looks tired. He has arrived here after having met for hours with the presidents of Colombia and Panama and, of course, he also spoke with the foreign ministers and other officials of those countries and held press conferences. He is lighting a cigarette. The first question is aimed at determining the situation in Nicaragua and its implication for the region. The answer is simple. He tells us about the essence of the problem: Washington's resistance to accept the pro-independence concept that the Sandinists are promoting because of what this represents for its hegemonic interests.

This conflict, he explains, did not exist prior to the 19 July 1979 revolution to the extent or as dramatically as it now exists. This conflict was created by the Reagan administration, which has produced tension and threats in the region due to the White House government's refusal to accept the Nicaraguan revolution with its modalities and characteristics. The White House has tried to get other area countries involved in activities against Nicaragua. The White House is trying to eliminate the Nicaraguan project from Central America. This is the situation that gave birth to the peace process that involves the hard work and expectations of the Contadora Group. The Contadora Group's aim is to accomodate the various factors present in Central America, but we must not forget that there is a permanent shadow that keeps the Group from advancing: the U.S. attitude.

[Ramirez] We have stated that the purpose of this visit is to caution the Contadora Group countries on the new danger looming over Central America and Nicaragua. We are clearly telling these sister nations that the mechanisms that the Contadora Group has used until now are well-intentioned but are not enough to stop this situation, and that we seriously and without exaggeration fear that the Reagan government will launch a direct attack against Nicaragua. While it is true that we are ready to check and defeat that attack, we want to avoid a situation that would not be the most suitable for Central America. A direct U.S. military aggression against Nicaragua would unleash a new situation throughout the region. This situation would affect the Caribbean. Obviously, we don't believe this is a solution.

[Rodriguez] In Bogota, did you say that the invasion is imminent?

[Ramierz] The elements that lead to this conclusion are there. We agreed to sign the Contadora Document on 7 September 1984.

That act established the basis for the easing of tensions in the region and a peaceful agreement. The U.S. Government boycotted the agreement and did not let the other Central American countries accept or sign it. The U.S. Government exerted pressure to that effect.

You are aware of the recent events in El Salvador as a result of which five or six U.S. marines died. President Reagan himself blamed Nicaragua for this. This is dangerous and grave. The United States is involved in very delicate conflicts in Lebanon, a situation similar to the one that existed when the United States invaded Grenada. All of these elements lead us to infer that since this intransigency exists, there is no immediate solution. We fear the there will be a direct aggression and, as I have said, if the aggression comes, we will confront it.

[Rodriguez] Are you really ready to face an invasion from a superpower like the United States?

[Ramirez] We are prepared, but not in the military terms necessary to repel the U.S. power since we are not a superpower. It is not the Soviet Union that the Reagan government is going to invade. It is a poor, weak country that is bleeding because of the war. However, our country has a political awareness and the military preparation, to the extent of our possibilities. We clearly understand that a direct aggression would not conquer the country. We would resist and end up defeating the aggressor. However, we would rather not pay the price this would entail. We would rather have a peaceful understanding that must include the fact that the revolution to which we are entitled exists. It is generally accepted that Nicaragua is the only country that must give explanations for everything to everyone. We live explaining our behavior. Nicagarua is always urged to get an A in behavior. We cannot make the slightest mistake. We must be a perfectly democratic government, and we must not violate human rights. We work to be this way. However, look at Honduras, for example. It is a country that the United States refers to as a model democracy. There, however, the president of the Supreme Court is still in jail at the orders of the president of the Republic, and 60 deputies have been threatened with exile if they do not give in to the president's will. However, this does not bother the world's democracies. We are talking about facts.

"We are determined to carry out a profound revolutionary project with characteristics of its own. We want to consolidate democracy in the country, but we need the opportunity to carry it out. Our process is only 6 years old, but we are expected to be as mature as a 100-year-old process. [quotation marks as published]

If an intervention takes place, other Central American forces would have to join in. We would cease to be what we are now: an established government. We would have to take other actions; we would have to offer resistance in the mountains and cities. This would bring about an unimaginable eruption in the area because we would not give in. This sets the tone for what our struggle would be like.

[Rodriguez] What should be done? What are the alternatives to achieve peace? Is Contadora still the most expeditious means?

[Ramirez] "We believe that Contadora is still the most suitable instrument to achieve the peace sought by Central America. However, we believe that events have overwhelmed [desbordado] the Contadora Group. The group continues to discuss a peace document approved by Nicaragua in September; this involves the process in a very laudable, however inefficient, juridical action.

First, we believe that the Contadora Group should demand guarantees from the U.S. Government not to carry out a military intervention that would stop the Contadora peace process, and it should ask that it be given the opportunity to negotiate peace in Central America free of the foreboding presence of a U.S. threat to intervene in the area. That is the first thing that should be done within the peace process. The Contadora Group should also demand that the Reagan government resume bilateral talks in Manzanillo.

"We are not asking Contadora Group members to declare war on the United States or to approve of the political principles of the Sandinist revolution; we are simply asking that it demand the preservation of basic principles such as the right of a people not to be intervened militarily and the Nicaraguan right to self-determination and independence. Without those conditions (and under pressure, threats, and bloodshed) it would be impossible to continue discussing peace..."

[Rodriguez] The vice president voiced optimism that the Contadora Group will be more dynamic and become an effective peace instrument.

The vice president said that the Nicaraguan Government is hopeful that with the new, courageous stand by Peruvian President-elect Alan Garcia Perez, a continental front will be established to resist the monstrous demand that Central American countries fulfill financial commitments that not only bleed their economies but also the basic living conditions of the Latin American people. The interviewee said: Of course, we support President-elect Alan Garcia's stand because we believe it identifies with our Latin American identity and is in keeping with the current historical moment.

This interview could not overlook important topics such as relations with the church, which has opposed the Sandinist government and the problems brought about by administrative corruption. Regarding this, the Nicaraguan vice president said that talks with the church have significantly improved. Although political agreements are not expected, talks are taking place and that in itself is positive.

Ramirez also said that corruption has caused much harm to the revolution, but it is being brought under control; in fact, the government is about to approve, via legislative chambers, a law on crimes against state property.

RAMIREZ SEEKS SUPPORT FOR COUNTRY IN BRAZIL

PA071928 Managua International Service in Spanish 0000 GMT 7 Jul 85

[Text] The Latin American countries that have taken a democratic path, such as Brazil, have the moral duty to promote a dialogue and make the United States put aside its aggressive plans. Nicaraguan Vice President Sergio Ramirez Mercado made this statement to the newspaper O GLOBO at the beginning of a tour of South America, seeking support for the Nicaraguan cause and the Contadora peace efforts.

He stressed the importance of Brazilian support in the Central American crisis, as well as statements made in this regard by Brazilian President Jose Sarney. In conclusion, Ramirez Mercado reiterated the need for the United States to return to the negotiating table in Manzanillo to resume the dialogue with Nicaragua, interrupted unilaterally by the Reagan administration in January.

U.S. VICE PRESIDENT'S EUROPEAN TOUR CRITICIZED

PA061431 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 5 Jul 85

[Station Commentary]

[Text] The vice president of the United States, George Bush, has concluded a tour of several European countries in an effort, according to published reports, to obtain support for the U.S. initiative to isolate the port of Beirut. Behind this screen, within the framework of a so-called antiterrorist campaign, Bush actually tried to convince his European allies to back his government's aggressive policy against a number of countries, including Nicaragua, which that government openly accuses of terrorism.

Regardless of the response received by the U.S. vice president -- only British Prime Minister Thatcher gave unconditional support for the Reagan administration -- the fact is that the United States was badly shaken in the past weeks by two important incidents: the hijacking of the TWA plane and its passengers, and the execution of four U.S. marines and two civilians in the Salvadoran capital.

The U.S. propagandists immediately demanded due punishment for the perpetrators and those nations supposedly aiding in such actions, adding that the United States is the victim of an international terrorist conspiracy. This propaganda campaign is aimed at persuading international public opinion and the U.S. people that any reprisal taken by the United States, be it military aggression or blockade, will be in reaction to the attacks to which it is being subjected.

The truth, however, is simply the opposite. The United States traditionally maintains an arrogant, aggressive, interventionist policy; and when a nation chooses to impose respect for its sovereign right to self-determination, it does not hesitate to apply a terrorist policy of economic and military blackmail. Such is the terrorist policy applied by the United States against all peoples of the world, which naturally stirs violent reactions in those places affected by U.S. intervention. As our people say: He who sows the wind shall reap the whirlwind. The U.S. Government has sown much suffering and hatred in the world it is not surprising that it should now reap its policy's harvest.

MAIMI HERALD REPORT ON ATTACK PLAN CITED

PA061753 Managua Domestic Service in Spanish 0300 GMT 5 Jul 85

[Text] Here is an urgent report from Maimi, U.S.A. The United States has selected targets for attack in Nicaragua, and the military infrastructure, carefully established in Honduras for military maneuvers, could be activated for an immediate invasion. This has been stated by government and Congress sources who were quoted today by THE MIAMI HERALD. The sources said that the possibility of an invasion of Nicaragua is, at present, very strong because of the desire to avenge the deaths of four U.S. marines in El Salvador on 19 June. The same sources added that the Reagan administration has reached the conclusion that it cannot coexist with Nicaragua's Sandinist government. The sources also added that President Reagan and his advisers have studied the possibility of a reprisal air attack against alleged Salvadoran rebel training camps in Nicaragua and El Salvador, but this idea has been temporarily rejected.

However, the military strategists have selected targets for attacks in Nicaragua and El Salvador and have prepared instructions for combat pilots and infantry troops.

According to the sources, who preferred to remain unidentified, one of the targets in Nicaragua is a training camp established last year near Santa Julia, Consiguina peninsula, on the northwestern coast of the country. Apparently the suggestion for the attack was temporarily rejected because the United States was faced with the hijacking of the TWA plane in Beirut.

Government officials and military experts believe that an armored vehicle attack or an invasion would be relatively easy and successful. Since 1983, an under the cover of military maneuvers, U.S. Army engineers have built more than 6 bases in Honduras, and more than 15,000 soldiers have become familiarized with the area. This infrastructure in Honduras, a country bordering on Nicaragua, would facilitate the military actions, the sources added. Even though U.S. officials have stated publicly that these installations are just temporary and routine, in private they have told U.S. congressional leaders that these installations are part of a contingency plan for eventual operations. In April the White House gave the U.S. congressional Appropriations Committee a secret document stating that even though the direct use of U.S. troops was temporarily discarded, this did not mean that this was a definite decision.

The 22-page document, which the newspaper gained access to, states that: Due to our interests in the region, military actions must be recognized as an eventual option should other alternatives fail. Last month the U.S. Defense Department once again asked the congressional Armed Forces Committee for permission to turn Palmerola Air Force Base, located in central Honduras, into a permanent U.S. military installation. The sources added that high-ranking government officials are trying to convince the White House and the Armed Forces General Staff that an agreement on actions within the Reagan administration is the only thing missing to activate the military options.

Paradoxically, the greatest opposition to a direct intervention in Central America is being voiced by the high-ranking military commanders. General Wallace Nutting, former commander in chief of the U.S. Southern Command, recently told THE NEW YORK TIMES: We have learned to live with Cuba for the past 25 years, and I think we will have to learn to do the same with Nicaragua. According to sources close to the military leaders, many other officers share Gen Nutting's feelings.

MINISTRIES ISSUE REPORTS ON GUERRILLA ATTACKS

Defense Ministry Bulletin

PA052340 Managua Domestic Service in Spanish 2241 GMT 5 Jul 85

[Bulletin issued by the Public and Foreign Relations Directorate of the Defense Ministry in Managua on 5 July]

[Text] As the result of the latest actions carried out by the Sandinist People's Army [EPS] troops at various places in the country's north, 26 counterrevolutionaries were killed.

On 1 July, the EPS fought mercenaries at the Zinica Hill, 12 km southeast of San Jose de Bocay, Jinotega Department. In this action, the enemy suffered three casualties. On 2 July, clashes occurred at El Granadillo, southeast of Condega, Esteli Department, where our troops inflicted 19 casualties on the counterrevolutionaries. On 4 July, a clash occurred at the El Caballo slope, northeast of Wiwili, Jinotega Department, where four mercenaries were killed. In addition, EPS soldiers recovered three AK rifles, a Claymore mine, and three hand grenades.

In their constant aggression against the civilian population, yesterday at 0900 the mercenaries attacked the El Chaparral settlement, 10 km southeast of Yali, Esteli Department, and destroyed the local health center, a popular dining hall, two vehicles, and eight homes. On the same date, another counterrevolutionary organization ambushed a civilian truck at Monte Fresco, 41 km southeast of Acoyapa, Chontales Department. As the result of this criminal action, two people were wounded.

Managua, 5 July

Public and Foreign Relations Directorate of the Defense Ministry

Free fatherland or death!

Ambush on Ferry Boat

PA061348 Managua Radio Sandino Network in Spanish 1203 GMT 6 Jul 85

[Communique issued by the Interior Ministry on 5 July]

[Text] The Nicaraguan Interior Ministry hereby notifies the people of the following:

Between 1330 and 1430 yesterday, 5 July [as heard], an undetermined number of counterrevolutionaries ambushed and set fire to the Enrique Campbell Express that travels between El Rama and Bluefields. The Enrique Campbell Express was heading toward Bluefields when it was ambushed in an area known as Chalmeca, Excondido Rivera, by the criminal former guards who diverted it from its course. They forced all the passengers and crew, a total of 101 persons, to leave the boat. Then they proceeded to rob the passengers.

Seven companeros of our Armed Forces who were traveling on the vessel destroyed by the criminal actions of the mercenaries courageously confronted the criminals, but they were overcome by the contras. As a result, four of them were kidnapped, two killed, and one seriously wounded, who is recovering from burns at El Rama Hospital.

In addition to the four kidnapped soldiers, the conterrevolutionaries kidnapped two unidentified Bluefields businessmen. After completing their criminal action, the CIA mercenaries fled into the mountains, where they are being pursued by joint troops of the Interior Ministry and the Sandinist People's Army.

Issued in the City of Managua, 5 July 1985

Public Relations Office of the Interior Ministry

Raid on San Gregorio Cooperative

PA062245 Managua Radio Sandino in Spanish 1750 GMT 6 Jul 85

[Bulletin issued by the Public and Foreign Relations Directorate of the Defense Ministry dated 6 July in Managua]

[Text] At 0330 yesterday, 5 July, the San Gregorio cooperative, 8 km north of Quilali, Nueva Segovia Department, was attacked.

As a result of this conterrevolutionary attack, three houses were burned, including the health center. The cooperative's civil self-defense unit inflicted five dead on the nercenary forces.

Nanagua, 6 July 1985

Defense Ministry Public and Foreign Relations Directorate

NUNEZ ON OPPOSITION PARTIES, DRAFT CONSTITUTION

PA050351 Managua Radio Sandino Network in Spanish 1200 GMT 4 Jul 85

[Text] Commander of the Revolution Carlos Nunez Tellez, National Assembly president, said yesterday that the worst political position that opposition parties can assume is not participating in the drafting of our national constitution, which represents the people's will. During an Assembly session, which approved the report presented by the Constitutional Affairs Commission, Foreign Affairs Commission, and National Affairs Commission, Nunez warned about the possibility that some political parties might threaten to withdraw from the Assembly in an attempt to obtain some concessions.

The Communist Party of Nicaragua and the Independent Liberal Pary have failed in their maneuvers to withdraw, he stressed. Nunez added that the U.S. Government is trying to prepare a strategy allowing it to isolate the FSLN from other parliamentary parties that give in to these maneuvers with the aim of making it appear that an internal and external political crisis prevails.

UPANIC CONCERNED OVER SAFETY OF COSEP PRESIDENT

PA050413 Paris AFP in Spanish 0508 GMT 3 Jul 85

[Text] Managua, 2 Jul (AFP) -- The Agricultural and Livestock Producers Union of Nicaragua (Upanic) said today that Jaime Wheelock, agricultural development and agrarian reform minister, is responsible "for whatever happens" to Enrique Bolanos, president of the Higher Council of Private Enterprises [COSEP], whose properties were recently confiscated. Upanic President Ramiro Gurdian said that Commander Wheelock accused Bolanos of "being involved in the aggression" against the Sandinist government.

"It is a serious situation," Gurdian told AFP, after mentioning that Jorge Salazar, a fomer president of COSEP, was killed 3 years ago by state security during an alleged arms smuggling incident. "We have sent a telegram to the FSLN National Directorate, which is running the country, in which we hold Commander Wheelock responsible for Enrique Bolanos' safety," Gurdian said.

Upanic, which comprises 60 percent of the agricultural and livestock producers in the country, held a general assembly at noon, which reached the conclusion that in Nicaragua "there is no mixed economy." "Private enterprise has no guarantees, and we could be expropriated at any moment," Gurdian said.

Two weeks ago, Nicaraguan businessmen were in a state of uncertainty after Bolanos, who grew sorghum and cotton, had his properties expropriated, although he was considered one of the country's most successful businessmen.

According to Bolanos, his properties were expropriated simply because he is the president of COSEP and because he disapproved of the totalitarian regime the Sandinists are creating.

Gurdian said that during the meeting a motion was submitted to hand over all of their properties to the government, "but later we realized that this would be playing into the Sandinist hands because that is precisely what they want. We are goint to fight for every inch of our land; we will continue to produce even if we are taking the risk of being expropriated," Gurdian added.

Meanwhile, the farmers said that the only solution to the war the country is facing is for Nicaraguans to have a reconciliation, a solution the Sandinists have rejected by saying that they will "never" hold talks with the rebels. The farmers also decided not to participate in the meetings sponsored by the Agricultural development and Agrarian Reform Ministry to analyze agricultural production problems.

Gurdian said that they will not ask the government for guarantees for the farmers "because it has never kept its promises." In this respect, he said, today peasants from Sandinist organizations occupied a farm outside of Managua which belongs to a member of Upanic. "The people are tired of this government," said Gurdian, whose properties were expropriated 3 years ago.

BOLANOS TERMS LAND EXPROPRIATION 'UNFAIR'

PA061451 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 5 Jul 85

[Text] Engineer Enrique Bolanos today made a lengthy statement on the recent expropriation of his lands to leaders of the Popular Social Christian Party [PPSC], who invited him to explain his views on the agrarian reform and particularly on the situation of his properties.

[Begin recording] [Unidentified questioner] The government has offered an indemnification that doubles what you had, yet you have not accepted it.

[Bolanos] We know there have been several expropriations or confiscations, whatever they may be called, as unfair as mine. I can hardly accept property I consider illegitimately obtained in exchange for my own titled property. They are expropriating farms and other lands to be distributed among the peasantry with property deeds and all. [end recording]

AERONICA BEGINS FLIGHTS TO MERIDA, TIJUANA

PA031313 Managua Radio Sandino in Spanish 1930 GMT 2 Jul 85

[Text] Aeronica, the national airlines, will fly to Merida and Tijuana in Mexico. Tijuana is situated on the Mexican-U.S. border, and it is expected that many Nicaraguan passengers will prefer these flights, as it will be easier for them to then drive to the United States, at a lower cost.

Aeronica requested permission to fly to Merida and Tijuana after the U.S. authorities banned flights to Miami as a result of the embargo. Aeronica used to fly to Miami on a regular basis. After Aeronica was banned from flying to U.S. territory, the national airlines planes were only flying to Mexico City in the northern part of the hemisphere.

A report from the Ministry of Transportation, Mintrans, today confirmed that there have been negotiations with the Mexican aeronautical authorities and the federal government and said they have made much progress.

With the suspension of the Miami flights, ordered by the Reagan administration as part of its war against our country, Aeronica cut 80 flying hours, which it hopes to restore soon when it begins flights to the Mexican cities of Merida and Tijuana.

PPSC PROPOSES GOVERNMENT-DOMESTIC SECTOR TALKS

PA060157 Managua Radio Sandino in Spanish 1930 GMT 4 Jul 85

[Text] The Popular Social Christian Party [PPSC] confirmed that it suggested to the revolutionary government that it hold talks with the country's domestic sectors. Mauricio Diaz Davila said: We are not including the U.S.-financed counterrevolutionary bands in the talks. The political leader said that the four sectors that must participate in the talks are: labor groups, the Catholic Church, business groups, and political parties represented at the National Assembly as well as those that are not represented; that is, those that did not participate in the elections in an attempt to boycott them. Mauricio Diaz said that the objective of the talks with the revolutionary government is to reinforce national unity in view of Nicaragua's domestic problems.

BRIEFS

AMBASSADOR TO FRANCE -- Roberto Arguello Hurtado, Nicaraguan ambassador to France, presented his credentials to French President Francois Mitterrand today. Ambassador Arguello Hurtado reiterated to President Mitterrand Nicaragua's request for support in its efforts to establish a demilitarized zone between Costa Rica and Nicaragua. [Summary] [Managua Domestic Service in Spanish 0300 GMT 4 Jul 85 PA]

MEXICAN ENVOY LEAVES -- Augusto Gomez Villanueva, former Mexican ambassador to Nicaragua, left for Mexico City today after completing his tour in this country. [Summary] [Managua International Service in Spanish 0000 GMT 7 Jul 85 PA]

NEW PSD PUBLICATION -- Dr Luis Rivas Leiva, secretary general of the Social Democratic Party, PSD, has announced the publication, starting next week, of a leaflet called "Social Democratic News" ["Noticiero Social Democrata"], containing information on weekly PSD activities. It will be distributed to all PSD department leaders, embassies, and to national and international media. [Text] [Managua Radio Noticias in Spanish 1200 GMT 5 Jul 85 PA]

EIGHTH ANPP MEETING OPENS IN HAVANA 8 JULY

Castro Presides Over Meeting

FL081840 Havana Domestic Service in Spanish 1400 GMT 8 Jul 85

[Excerpt] The eighth regular meeting of the National Assembly of the People's Government [ANPP] began today at 0900. It was presided over by the Commander in Chief Fidel Castro, party first secretary and president of the Councils of State and Ministers.

A bill on the birth, marriage, and death registry and two special reports on Granma Province and the Ministry of the Fishing Industry will be submitted during today's and tomorrow's sessions. Likewise, reports of the Council of State, People's Supreme Court, and State Attorney General's Office to voters will be discussed, and the People's Supreme Court lay judges will be selected.

Responds to Reagan's Charges

FL090307 Havana Television Service in Spanish 1740 GMT 8 Jul 85

[Remarks by President Fidel Castro during National Assembly of the People's Government meeting in Havana -- Live]

[Excerpt] Here is a statement by that bum they have as U.S. President, who every day comes up with some new lunacy. [laughter] Here is a threatening report: U.S. President Ronald Reagan today accused Cuba, Nicaragua -- we are in the first place, could this be in alphabetical order? [laughter] -- Iran, Libya, and North Korea of forming a confederation of terrorist states. Reagan warned them that the United States has the right to defend themselves against the war-oriented actions in which those five countries are engaged.

One feels like giving him the raspberry [laughter] in midafternoon after (?reading something like this), about this terrible fright that he is causing us by accusing us of forming part of a confederation. It must be registered, I think in the United Nations of terrorist states.

The guy is crazy, really, (?I do not know), he is as crazy as they come. If comrade Rodaja [not further identified] could suggest something [laughter] (?that we might do). He is stating stupid and ludicrous things. The most stupid thing of all is trying to scare us, scare us, who in our first grades read that poem which says: And if I die, well, I already considered my life lost when I shook off the yoke of slavery like a speck of grain. [applause] [words indistinct] [applause]

I mean to say that news of all kinds arrive at all hours, (?creating many problems). But he is hurting, I know what is hurting him, I know it very well. [laughter] Yes, it is the eternal debt as [word indistinct] says [words indistinct]. They are furious, furious. Now they are accusing us of being part of a -- what do you call it -- confederation is it? -- a confederation of terrorist states.

We have newsmen here [words indistinct] not a single Latin American. I think there are several Yankees around. My conversation with them will be very interesting (?in connection) with this little report. There is a democrat and a republican and I (?will talk) to them, (?to tell them), you are crazy, you are deranged. You are going to do this and the other. I am doing my duty by telling you how crazy you are, and by trying to persuade you to take an occasional sedative, to act sane. I will have fun reading this report to them in which we are accused and intimidated. Hmm, well all these things happen constantly and one has to be reading reports, papers, and things all day long. I must admit that I have not read even this report in full and have been much more interested in listening to the fishing minister's report.

Comments on Admission Into Parliament

FL082237 Havana Domestic Service in Spanish 1818 GMT 8 Jul 85

[Text] The National Assembly of the People's Government approved a declaration supporting the United Nations, a position recently stated by Fidel Castro to UN Secretary General Javier Perez de Cuellar during his visit to Cuba.

Castro pointed out that the stand of countries like Paraguay and El Salvador, which voted against Cuba's admission into the Latin American Parliament, are exceptions. Castro's statement came immediately after the reading of a report by the Cuban delegation to the parliament's 11th ordinary assembly, which took place in Brazil. The parliament accepted Cuba by a majority of votes.

Castro said that Cuba's admission into the Latin American Parliament fills Cuba with satisfaction and pride and is an incentive to continue the struggle in favor of Latin America at these very trying times for the region.

Lezcano Relieved as Vice President

FL081528 Havana Domestic Service in Spanish 1400 GMT 8 Jul 85

[Text] The birth, marriage, and death registry bill was unanimously approved during the first day's morning session of the eighth meeting of the National Assembly of the People's Government [ANPP]. This law introduces important innovations regarding obtaining marriage licenses for marriages between Cubans and foreigners, time frames for burial or cremation, and wider guarantees and terms for recognition of children.

The agenda had been approved previously as well as two reports presented by the Council of State regarding relieving Deputy Jorge Lezcano from his post as the Assembly's vice president and ratifying the decision that Severo Aguirre replace him.

Flavio Bravo Pardo, ANPP president, reported 466 deputies are attending the meeting, representing 94 percent of the membership.

Attorney General's Office Report

FL082147 Havana Domestic Service in Spanish 1816 GMT 08 Jul 85

[Excerpt] The causes and conditions that lead to crime are the object of an intense study by the Crime Commission of the Cuban Attorney General's Office. The above was explained by Attorney General Dr Rene Burgeut Flores, as he read his report to the National Assembly of the People's Government, which is meeting in Havana. The document reports on the intense training given to the attorney general's staff, the development of tasks to improve deficiencies, and the results of the new structure adopted in that organ.

HAVANA TV COMMENTS ON REAGAN'S TERRORISM SPEECH

FL090320 Havana Television Service in Spanish 0000 GMT 09 Jul 85

[Text] Today, President Ronald Reagan accused Cuba, Nicaragua, DPRK, Libya, and Iran of practicing state terrorism and of forming what he called a confederation of terrorist states. The Yankee official went further and threateningly announced the forthcoming adoption of reprisal measures against those countries. In his speech to the American Bar Association, Reagan forgot to mention the CIA, the initiator of international piracy acts in its failed policy against the Cuban revolution.

HAVANA CITY PROVINCE BEGINS WATER RATIONING

FL081952 Havana Domestic Service in Spanish 1420 GMT 8 Jul 85

[Excerpt] Beginning today, a water quota assignment plan will be in effect in Havana City Province.

AFP Report

PA082320 Paris AFP in Spanish 2244 GMT 8 Jul 85

[Text] Havana, 8 Jul (AFP) -- The provincial government has reported that water will be rationed in Havana starting today under a "plan of rationed distribution" because of the exceptionally long drought affecting Cuba. The groundwater supply and dams feeding Havana's waterworks have hit extraordinarily low levels because of the absence of rains. The prolonged drought has hurt agriculture throughout the nation and for some time now water in reservoirs has been devoted to the most indispensable irrigation of crops.

VICE FOREIGN MINISTER ARRIVES IN ARGENTINA

FL052230 Havana Domestic Service in Spanish 2130 GMT 9 Jul 85

[Text] Buenos Aires -- Cuban Vice Foreign Minister Ricardo Alarcon today arrived in Buenos Aires where he will meet with Argentine Government officials, it has been reported. Interviewed by the local press upon his arrival in Ezeiza Airport, the Cuban vice foreign minister expressed satisfaction on being in the country and said the subject of the Latin American foreign debt, of vital importance for countries of the continent, will be discussed at those meetings.

Answering a question, Alarcon asserted that the possibility of a U.S. aggression against Nicaragua is a constant concern of all the nations of the area as a result of the warmongering policy followed by President Ronald Reagan's administration.

NICARAGUAN PRESIDENT ON IMPORTANCE OF DIALOGUE

PA060335 Havana International Service in Spanish 1600 GMT 4 Jul 85

[Text] Nicaraguan President Daniel Ortega reiterated to the U.S. Government the importance of resuming the dialogue to find a peaceful solution to the Central American crisis. President Ortega said this during the ceremony in Managua to sign an economic and scientific cooperation agreement with Cuba totaling $85 million. Ortega added that thousands of Nicaraguans have been kidnapped and slain by the terrorist policy promoted by the United States.

Property damage is estimated at more than $1 billion, said President Ortega, in relation to damages caused by the war imposed by the U.S. Government. Ortega said that Nicaragua has not withdrawn from the Contadora negotiation process and instead it is the U.S. Government that has refused to return to the negotiating table in Manzanillo.

President Ortega said that the struggle waged by the forefathers of the United States for independence, on behalf of justice and freedom is not the same struggle being carried out by the current U.S. Government. He added that on 4 July, the U.S. Government can begin making a real effort for the peace that the people of the United States and Nicaragua are hoping for.

The Nicaraguan-Cuban cooperation agreement will serve to provide scientific and technical aid to various sectors of Nicaragua's economy. According to Hector Rodriguez Llompart, minister president of the State Committee for Economic Cooperation, Cuba will continue helping the Sandinist government despite the commercial embargo

COMMENTARY QUESTIONS REAGAN'S STAND ON TERRORISM

PA050318 Havana International Service in Spanish 0000 GMT 3 Jul 85

["World Events" commentary]

[Text] When Ronald Reagan raises his voice to condemn terrorism, hypocrisy has no other alternative but to lower its head in shame. During these days when the U.S. President proclaims himself a fighter for peace, shame runs away terrified. In fact, following the kidnapping of 39 U.S. citizens by a Lebanese command and the execution in El Salvador of several U.S. military advisers who were surrendering to vices in a downtown prostitution area, Ronald Reagan cried out against terrorism and threatened those who committed these actions with ferocious reprisal. Such statements surprise many people; others become indignant. The truth is that Reagan attempts to blame the rest of the world for practices instituted and broadly developed by U.S. imperialism throughout its ill-fated history.

It would be good to ask Reagan whether landing troops in almost every Latin American nation in an attempt to draw progressive movements and perpetuate regimes that serve Washington is not terrorism. Mr Reagan, was sabotaging the independence of Cuba in 1898 not terrorism? Was taking over Puerto Rico and turning it into a colony not terrorism? Was usurping Mexican territory by means of a war of theft during the past century not terrorism? Was promoting the overthrow of Jacobo Arbenz in Guatemala only 30 years ago not terrorism? Was murdering Augusto Cesar Sandino in Nicaragua not terrorism? Was the invasion of the Dominican Republic in 1965 not terrorism? Was preparing and carrying out the overthrow of the Popular Unity government in Chile in 1973 not terrorism? Was it not terrorism to fall like a bird of prey on the tiny island of Grenada in an attempt to erase the image that the assassinated Prime Minister Maurice Bishop instilled in the hearts of his people? Reagan should be asked to answer whether the war in Vietnam, of half of Korea, the support of South Africa, and promoting repeated attacks against Angola, Mozambique, and other independent nations is terrorism. Are the financing of the counterrevolutionaries in Afghanistan, the arms race, the attempt to blackmail the USSR with the installation of hundreds of medium range missiles in Western Europe, and the militarization of space not terrorism?

How can the President of the United States speak out against terrorism when his government approves, at the level of the U.S. Congress, the allotment of funds to those who are killing the Nicaraguan people, and when, with the use of force, it attempts to hinder the sovereign right of the Central American nation to defend itself against the aggressors? It is not terrorism to enforce trade embargoes first against Cuba and then Nicaragua, mine Nicaraguan ports, and promote, on more than one occasion, the murders of leaders of the Cuban and Nicaraguan revolutions? These are only some of the most despicable actions promoted by the White House in the past 25 years.

In the United States, a country whose President calls for an exemplary punishment of terrorists, mercenaries are hired and sent to all corners of the world to defend imperialist peace, and weapons are built and sold with the same goal. Ronald Reagan, and most of his predecessors, are truly the biggest terrorists in the history of man. Terrorists that not only kill, commit blackmail, steal, and usurp, but also kill our people with hunger and need with their subtle economic mechanisms and in the end their imposed will.

Mr Reagan, when terrorism is the topic of discussion you should keep your mouth shut. A very old saying remind us that: He who lives in a glass house should not throw stones.

U.S ANTI-HIJACKING CAMPAIGN 'REPENTANCE'

PA072135 Havana International Service in Spanish 2310 GMT 3 Jul 85

["Our America" commentary]

[Text] The U.S. Government has proved to be forgetful and inconsistent because just after 39 U.S. citizens aboard an aircraft hijacked by Lebanese Shi'ites were kidnapped in Beirut recently, the United States launched a campaign posing as champion in the struggle against these kinds of actions.

President Ronald Reagan and his current advisers have forgotten that it was precisely the United States that encouraged hijacking early in the 1960's by receiving all Cuban counterrevolutionaries who hijacked aircraft and forced them to fly to the United States as patriots and freedom fighters. This repudiable terrorist practice was very much in fashion at the time. Far from raising their voices to protest an action that endangered the lives of hundreds of defenseless people, the Yankee leaders at the time happily received the hijackers who also had a dark history of crimes against the Cuban people. Most of them belonged to the repressive forces of the Batista dictatorship and were fleeing the justice of the revolution that triumphed on 1 January 1959. Now, the successors of those who engendered hijacking have forgotten their heritage and try to pose as champions of a cause they only defended when they were directly affected. Drawing a line that forgets the past, Reagan and his advisers seem to say: Let's forget about it.

If all of this was so simple, the new U.S. campaign against hijacking could be deemed a tardy act of repentance. However, nothing is farther from the truth. Washington has completely forgotten its compromising past as if it did not exist. To top it off, the United States attacks several independent countries, describes them as terrorists, and holds them responsible for the wave of recent hijackings. The list, announced a few days ago by presidential spokesman Larry Speakes, includes Cuba and Nicaragua, among other nations. A greater paradox or such nerve cannot be conceived. In other words, two of the countries most affected by the political, military, and economic aggressions of the United States are, in the eyes of President Reagan, also to be held responsible for hijacking.

Anyone who cares to check Latin American history will realize without too much effort that the United States has been and is the main party responsible for and sponsor of all terrorist actions that occurred in the past few years. Besides the more than 50 Yankee military interventions in the region's countries and terrorist and plunderous actions willingly sponsored by the various U.S. administrations, we can mention hundreds of other actions carried out by the White House that prove this assertion, including destabilizing actions against progressive governments in the area such as that of Jacobo Arbenz in Guatemala, Salvador Allende in Chile, and the murders of and attempts to murder important revolutionary figures in the subcontinent.

One of the most despicable terrorist actions by the United States is the financing and support by the White House of the Nicaraguan counterrevolutionaries who attack the Nicaraguan Sandinist revolution from their bases in Costa Rica and Honduras. With this history of crime, Washington does not have the moral standing to describe those countries as terrorists that have earned the U.S. leaders' hate for their worthy, sovereign, independent, and anti-imperialist stance. This is simply a shameless, cowardly act.

REGIONAL INFORMATION CENTER OPENS IN ARGRAMONTE

PA050500 Havana GRANMA in Spanish 25 Jun 85 p 1

[Article by Ariel Garcia Suarez]

[Text] Camaguey -- The regional Information Center that will supply news services to provinces of Ciego de Avila and Camaguey was inaugurated yesterday, Monday, in its remodeled two-story premises at No 19 Goyo Benitez Street, where the newspaper ADELANTE operated until recently, in the capital of Agramonte.

The new branch office of the Cuban Institute of Radio and Television [ICRT] will be linked to the Tele-Rebelde channel, with direct relay to the first broadcast of the "Morning Review." Subsequently, closed circuit will be added for the Camaguey territory. This way, the local review will offer news, reports, interviews, and some musical programming.

The center, with a civil-works cost estimated at some 150,000 pesos, plus some 500,000 pesos for the technical equipment and furnishings, took some 10 months to complete and become operational. The technical Film Exhibition Company Cuban Institute of Cinematrographic Art and Industry which did the major part of the construction, had the effective support of mass and political organizations.

The inauguration was attended by Lazaro Vasquez, party first secretary for that province, and Luis Rodriguez, second secretary, both deputy members of the Central Committee; Marcial Dacal, deputy chief of the Central Committee Department of Revolutionary Orientation [DOR]; Ismael Gonzalez, president of ICRT; and Sergio Corrieri, vice president; as well as other leaders of the party, the Union of Young Communists, the people's government, the mass organizations and the ICRT.

Carlos Aldana, member of the Central Committee and Chief of the DOR, said in a summary: "We are present at something that is beginning, rather than something that has been concluded." Thereafter he went on to explain the importance and significance of the regional center in the fruition of a dram of having a television system with a technical and material base, and a staff capable of ensuring a television service that is truly and wholly national, so it will provide permanent and daily coverage of the country's events and of the transforming and creative process of the revolutionary effort. Aldana said: "These lands of Agramonte are some of the most promising scenes" in that effort.

ROCA, RODRIGUEZ GREET YOUTH SYMPOSIUM

FL282346 Havana Domestic Service in Spanish 2300 GMT 28 Jun 85

[Text] Politburo members Blas Roca and Carlos Rafael Rodriguez have sent letters greeting a symposium on youth's rights in socialist society, which opened this morning at the President Allende Pedagogical School here in the capital. The two leaders wished success to the forum, where 150 jurists under the age of 35 are participating. Dr Juan Escalona, Central Committee member and justice minister, presided over the opening of this event.

CORRECTION TO DIPLOMATS PREDICT CHANGES

The following correction pertains to the item headlined "Diplomats Predict More Government Changes," published in the 3 July Latin America DAILY REPORT on pages. Q 1 and Q 2:

Page Q 2, paragraph one line two reads: ...men in their 70's and 80's, an East European... (rewording)

DOMINICA

CHARLES ATTACKS POLITICAL OPPONENTS, CALL FOR UNITY

FL051630 Bridgetown CANA in English 0002 GMT 5 Jul 85

[By Peter Richards]

[Text] Roseau, Dominica, July 4, CANA -- Prime Minister Eugenia Charles said today her political opponents would have scrapped general elections if they had won last Monday's national poll. Charles, re-elected with a reduced parliamentary majority but a bigger slice of the votes, made the charge while addressing a big crowd which had turned up outside President Clarence Seignoret's official residence to see her being sworn in for another five-year term. I wish to remind Dominicans, she said, that had the majority of seats gone to the so-called progressives July 1, 1985 would be the last election day in Dominica.

Charles' main rivals in the election were the Dominican Labour Party (DLP), which groups leftists and conservative politicians, but which the prime minister describes as a communist group. She described as unfortunate the election of communists last Monday, when the DLP took five seats and a prominent leftist one to her party's 15. Since we believe in the democratic system, she added, we accept their (the electorates) decision, but we must not cease to show them the error of their ways.

In the 1980 election, Miss Charles' Dominica Freedom Party won 17 of the 21 seats at stake and collected around 52 per cent of the vote. This week it took nearly 59 per cent of the vote.

Today she reminded Dominicans of the trouble which leftist politicians had caused in St Lucia and Grenada. The St Lucia economy had stagnated during a power struggle between ex-Prime Minister Allan Louisy and his left-wing deputy, George Odlum. In Grenada, leftist policitans took power in a 1979 coup, and abandoned the system of parliamentary democracy.

It is the lesson learnt from events from the two neighbouring islands that make us cautious and prepared to gird our loins and make us prepared to fight for our democratic rights and freedom, Miss Charles said. She urged Dominicans to be forever watchful of our security and of the necessity to safeguard our democratic right. She made an appeal for unity following the bitterly fought election. The shouting and the rallies are over. Let us settle down to serious work and better our country for all of us to live in and enjoy, she said. Fellow Dominicans, let us embark upon this new term with vision, with courage, and with determination to conquer all odds and to ensure the better future we all wish for ourselves and Dominica.

GRENADA

CDB, U.S. AID GRANTS TO REFURBISH HOSPITAL

FL051620 Bridgetown CANA in English 1323 GMT 4 Jul 85

[Text] St George's, Grenada, July 4, CANA -- Grenada has received some 216 million EC dollars in grants from the Caribbean Development Bank (CDB) and the United States Agency for International Development (U.S. AID) to finance a number of small projects on the island, it has been announced here. A government release said that among the projects earmarked for funding is the refurbishing of the Princess Alice Hospital in the rural area of St Andrews, as well as the construction and improvement of water systems in two outlying areas.

JAMAICA

SEAGA TO MEET WITH PUERTO RICAN GOVERNOR

FL021252 Bridgetown CANA in English 2247 GMT 4 Jul 85

[Text] Bridgetown, Barbados, July 4, CANA -- Jamaica's Prime Minister Edward Seaga will stop off tomorrow in Puerto Rico on his way home from the Caribbean Community (Caricom) heads of government summit for talks with Governor Carlos Rafael Hernandez Colon. Seaga told reporters here today his discussions with the Puerto Rico governor, who cancelled an official trip to Kingston last month amidst a general strike, would centre on a San Juan initiative to support regional industrial development through joint venture manufacturing arrangements between Puerto Rican and other Caribbean businessmen.

Colon has travelled to several regional countries including Grenada and Dominica to push the idea, which will use funds accumulated by U.S. corporations in Puerto Rico under the tax free provisions of Section 936 of the U.S. Internal Revenue Code. Washington is proposing to end the concession and Colon has been urging regional governments to lobby Washington for its continuation to help boost regional industrial development under the Reagan Administration's Caribbean Basin Initiative (CBI).

SIGNIFICANT DRUG TRAFFIC CUTBACK REPORTED

FL051611 Bridgetown CANA in English 2310 GMT 4 Jul 85

[Text] Bridgetown, Barbados, July 5, CANA -- Jamaica says it is satisfied it is making significant headway in cutting back on drug trafficking there. Jamaica Prime Minister Edward Seaga said here today that substantial progress had been made this year, and that comments to the contrary by some American congressmen were misinformed. According to May figures we have succeeded in destroying 50 per cent of the latest crop and have put the majority of illegal airstrips out of action, Seaga told a news conference.

He dismissed suggestions that U.S. pressure was aback of his anti-drugs campaign. We are not eradicating drugs to pleace anyone else, but because they are a threat to health and to tourism.

U.S. Drug Enforcement Administration figures show Jamaica to be the third biggest supplier of marijuana to the United States, transported by small planes and vessels.

TRINIDAD AND TOBAGO

CHAMBERS, DELEGATION DEPART FOR BRITAIN

FL081442 Bridgetown CANA in English 1649 GMT 7 Jul 85

[Text] Port-of-Spain, Trinidad, July 7, CANA -- Trinidad and Tobago's Prime Minister George Chambers left here last night at the head of a big government and private sector delegation for Britain.

The delegation includes External Affairs Minister Errol Mahabir, Industry Minister Wendell Mottley, and minister in the Community Development Ministry, Muriel Donawa-McDavidson. Other senior officials from government ministries and agencies, as well as the Labour Congress and the Chamber of Industry and Commerce, are also in the delegation, which will visit London, China, South Korea and India. The group, numbering more than 40, is the largest ever to go on such a tour, said THE SUNDAY GUARDIAN newspaper.

Chambers is down to address an influential group at the British House of Commons on Tuesday. According to THE GUARDIAN, his audience is expected to include parliamentarians, bankers, senior officials from the Department of Trade and the Foreign and Commonwealth Office as well as importers, exporters and investors.

The prime minister is scheduled to have talks with British Government officials on issues including state-owned airline BWIA [British West Indies Airline] international's service to Britain. Government officials here said Chambers was also interested in improving trade relations with and getting a large chunk of investment from the Far East.

REPORT SAYS OIL RESERVES TO RUN OUT IN 10 YEARS

FL081449 Bridgetown CANA in English 1917 GMT 6 Jul 85

[Text] Port-of-Spain, Trinidad, July 6 CANA -- Unless current crude oil exploration in Trinidad and Tobago unearths a new major producing field, this country will exhaust its oil reserves in 10 years time, according to the Industrial Development Corporation (TDC).

The TDC has prepared a briefing on the state of the island's economy for enterpreneurs and industrialists encountered by an 11-man delegation which leaves here tonight for Britain. The team, headed by Prime Minister George Chambers, will also pay official visits to China, South Korea, and India before returning here on August 5.

The government is prudently preparing for the future, said the document. Trinidad and Tobago's future will depend not on crude oil but on its greater reserves of natural gas, its new energy-intensive industries, and on the modernisation and growth of its light manufacturing, agriculture, and tourism industries.

In ten years' time, unless ongoing crude oil exploration unearths another major producing field, Trinidad and Tobago will exhaust its oil reserves which currently stand at six billion barrels.

The brief -- intended to introduce Trinidad and Tobago and its economy to interested investors -- outlines a number of areas in which the country plans to diversify. It states that government is, at present, reviewing proposals from international sources for an additional ammonia plant and a paper plant geared at the international market.

According to the brief, priority investment projects include downstream steel products, engineering and capital goods, electrical and electronics, petrochemicals and high technology. It also outlines plans to upgrade the tourism infra-structure and priority locations. The release says that this country is aiming to double its hotel-room capacity by the end of the decade.

Government had come under fire since delivery of the budget in January for not presenting a clear package for developing the economy in the next few years. Up to yesterday, Prime Minister Chambers received criticism in parliament for the lack of information on the trip made public -- especially the cost. Minister in the Finance Ministry, Senator Anthony Jacelon, did not answer opposition questions on the expected benefits of the tour but the IDC document clearly indicates that the team will be seeking to drum up trade and investment from foreign partners in Trinidad and Tobago.

NAC, ONR JOIN FORCES TO CHALLENGE PNM

FL082051 Bridgetown CANA in English 1548 GMT 8 Jul 85

[Text] Port-of-Spain, Trinidad, July 8, CANA -- Trinidad and Tobago's opposition National Alliance Coalition held its first congress yesterday as it prepared to formally join forces with the Organisation for National Reconstruction to mount the biggest challenge to 29 unbroken years of rule by the People's National Movement.

We of the alliance must take a solemn view that we shall never resort to dividing our people as a means of winning elections, even if that were the only way to electoral victory, parliamentary opposition leader Basdeo Panday told over 500 delegates. We must be prepared to lose every single seat rather than inflict that kind of wound on our nation, he added.

The alliance comprises Panday's United Labour Front (ULF), the Democratic Action Congress (DAC), and the Tapla House Movement.

Panday spoke minutes after announcing his withdrawal from the leadership of the alliance, leaving DAC leader A.N.R. Robinson to take the top post. Panday was elected unopposed to the post of deputy political leader with Tapia Chairman Dr Beau Tewarie being elected the first chairman of the alliance.

If the ruling party had failed to move the nation forward despite the enormous wealth under its control, it is because the very method by which it wins the elections becomes [passage indistinct].

Panday said that leaderites had become a chronic disease in this society. I prefer to be a small fish in a big pond. I would rather be a backbencher in the government than be leader of the opposition for another ten years. There are too many of us who feel that they cannot belong unless they have office.

The National Alliance -- with the ONR -- forms the new opposition coalition National Alliance for Reconstruction (NAR), which has recently been in the process of drawing up its constitution and allocating seats among its four party members.

Political sources say the NAR's inaugural conference is expected to be held in either late August or early September, when it is expected that Robinson will be elected head.

An opinion poll two months ago put the NAR well ahead of the ruling PNM in popularity.

POLICE ARREST FOUR IN $1-MILLION COCAINE HAUL

FL052258 Bridgetown CANA in English 2229 GMT 5 Jul 85

[Text] Port-of-Spain, Trinidad, July 5, CANA -- Police here this afternoon seized cocaine worth nearly one million dollars (one TT dollar: 41 cents U.S.) and arrested four people in central Trinidad. A four-man police team found the drug during a house search in the affluent residential area of Lange Park, Chauganas.

Police said the accused are expected to appear in court on Monday.

SURINAME

CONSTITUTION DRAFT TO BE COMPLETED BY 1987

FL061432 Hilversum International Service in English 1030 GMT Jul 85

[Text] The speaker of the Suriname National Assembly, Mr Rick Aaron, has said publicly that the Assembly is hoping to complete a draft constitution by the end of next year at the latest. A constitutional affairs committee will be formed consisting of Assembly members and outside personalities. The committee will set a timetable to make sure that the draft will be ready before early 1987. Drafting a constitution for Suriname is one of the main tasks of the National Assembly.

LANDING RIGHTS TO BE DISCUSSED WITH BELGIUM, UK

FL061456 Hilversum International Service in English 1030 GMT 6 Jul 85

[Text] Suriname will shortly be conducting talks with Belgium and Great Britain about landing rights for international air transport. According to Transport, Trade and Industry Minister Imro Fong Poen, the talks are an initiative of Suriname which wants to be less dependent on the Netherlands in this respect and is looking for other gateways to Europe than Amsterdam.

URUGUAY

BROAD FRONT SEEKS TO ABOLISH INSTITUTIONAL ACT

PY082134 Montevideo Radio El Espectador Network in Spanish 1030 GMT 5 Jul 85

[Text] Efforts are being made to draft a law to abolish Institutional Act 19. Senator Francisco Rodriguez has announced that he is contacting members of other parties to seek legal means to abolish this act.

In the last few hours, Vice President Enrique Tarigo criticized the Broad Front's position, which called for the act's immediate abolishment.

TRANSPORTATION WORKERS AGREE TO 25-PERCENT HIKE

PY051505 Montevideo Radio El Espectador Network in Spanish 1030 GMT 5 Jul 85

[Excerpt] The urban and interdepartmental transportation services were normalized early this morning after an agreement was reached between the transportation workers and the Salary Council.

During an assembly held in the Colon Club, the Federation of Transportation Workers approved the negotiations carried out by the delegates who were able to obtain an average 25-percent salary increase.